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FURTHER CORRESPONDENCE

RESPECTING

TURKEY.

PART IV.

APRIL TO JUNE 1923.

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CONFIDENTIAL.

Further Correspondence respecting Turkey.

Part IV.

[E 3363/1/44] No. 1.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 1.)

(No. 214.)
(Telegraphic.) R. *Constantinople, April 1, 1923.*

MY telegram No. 211.

Internal political situation at Angora has come rapidly to a head. Large group of Deputies, apparently consisting of supporters of Government, moved to-day in Assembly that new elections should begin immediately. This was agreed to unanimously subject to discussion of individual clauses of necessary law, which was expected to end this evening.

Ismet is reported to have taken an opportunity of explaining Allied note, and to have said that, on the one hand, Government should continue peace negotiations, but that, on the other hand, appeal must be made to the people.

According to one version, proposal is that new elections should be held within two months, and that present Assembly should continue to sit meanwhile. This suggests surmise that proposal is Government move with object of more or less paralysing Assembly without dissolution of it while peace negotiations continue.

Accounts of impression created in Angora by note are conflicting. Best informed evening paper has telegram to the effect that invitation to conference will be accepted subject to observations on certain parts of Allied note, and that delegation, headed by Ismet, will probably leave towards end of the week. Other press correspondents attempt to represent reception of note as wholly unfavourable.

No. 2.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 2.)

(No. 215.)
(Telegraphic.) *Constantinople, April 2, 1923.*

YOUR telegram No. 84.

I learn secretly that dragoman of Serbian delegation called on Refet and stated that presence of forty or fifty Moslem Deputies in present Government's party made it necessary for Serbia to adopt policy acceptable to these in her relations with Turkey.

Pressing appeals by Greece necessitate immediate decision as to future policy. Serbia desired a thorough understanding, or even agreement, with Turkey. Pasitch's view is that the southern frontier of Serbia should be the Ægean and the western frontier of Turkey the Struma.

In that case, access to Ægean might be given to Bulgaria, with Turkey's consent, near Cavalla. Dragoman urged immediate despatch of an accredited representative

and senior staff officer to Belgrade. Similar overtures have been made to Hamdullah [? Sa]bhi.

Refet's comment is that Serbs appear to be alarmed by possibility of understanding being reached between Turks and Bulgarian officials now in Constantinople and Hungarians in Angora.

(Not repeated.)

No. 3.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 2.)

(No. 216.)
(Telegraphic.) R. *Constantinople, April 2, 1923.*

MY telegram No. 214.

Instructions have already been issued for preliminary steps with a view to general election, which is to be completed within two months.

Mot d'ordre from Angora appears to be that Allied note opens door to discussion on all points, and that invitation to further conference will be accepted.

Evening papers speak of possibility of reply by to-morrow or Wednesday proposing meeting on 15th April. Member of Adnan's staff states privately that reply will probably be sent by Friday at latest. Idea in Angora apparently is that Government can proceed with negotiations in virtue of powers conferred on 6th March, but that final decision will rest with new Assembly.

No. 4.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Constantinople).

(No. 106.)
(Telegraphic.) *Foreign Office, April 2, 1923.*

YOUR telegram No. 208 of 30th March: Leafield wireless.

Leafield cannot refuse any messages, but all Government communiqués, &c., are clearly labelled as such and should be easily distinguished.

I presume that receiving station is in hands of Allied military authorities. If so, what steps are taken to prevent our official messages from being confused with press reports, &c.?

Is any censorship still applied?

Do you consider that it would help matters if War Office forbade Army Signals to pass on for publication other than Government messages?

Remedy can only be found in some arrangement to be made at Constantinople.

[E 3387/17/44] No. 5.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 3.)

(No. 202.)
My Lord, *Athens, March 14, 1923.*

IN a printed letter, dated the 13th February, 1923, the Acting British High Commissioner at Constantinople was good enough to forward to me a further complaint from the Government of the Grand National Assembly of Turkey, dated the 11th February, regarding the treatment from which Turkish prisoners are alleged to be suffering in Greece.

2. In reply I have the honour to refer your Lordship to the following despatches from His Majesty's Legation, copies of which will have already reached Constantinople:—

3. As regards Melos, the report of the representative of the American Y.M.C.A., forwarded in Mr. Lindley's despatch No. 644* of the 10th November last, will show that the Turks were treated with far greater consideration than the unfortunate refugees, and that the writer of the report took upon himself to insist on one day's

* Part II, No. 673.

portion of the food destined for the Turks being given to the refugees to keep them from starvation. If through Turkey's brutal treatment of the Christian minorities these latter have flooded Greece with every kind of epidemic, it is not surprising that pestilence should infect the Turkish prisoners in the same way as the Greek and foreign population.

4. My despatches Nos. 54 and 117 of the 26th January and the 15th February last reported on the situation of Mussulmans in Chamouria, Epirus. I presume that Marglitz is a mis-spelling for Margariti, a Mussulman district west of Janina, from which I am endeavouring to obtain information. My despatches Nos. 162, 175 and 197 of the 28th ultimo and the 8th and 10th instant gave full details of the treatment of the Mussulman population in Crete. Mr. Lindley's despatch No. 642* of the 10th November and my despatch No. 157 of the 26th February forwarded reports from the acting British consul-general at Salonica on this same subject, and Mr. Lindley's despatch No. 654 of the 17th November and my despatch No. 35 of the 19th January contained information collected by Mrs. Hasluck during her travels in Macedonia.

5. A member of my staff, who has the best opportunity for seeing with his own eyes the treatment of a large number of the Turkish prisoners in Athens, describes it as "exemplary." Mr. Lindley and I have already reported to your Lordship that the late Netherlands Minister, who was in charge of Turkish prisoners in Greece, always maintained that they were well treated.

6. In the face of all this evidence, derived from totally different sources, it seems superfluous to pursue the enquiry further. The International Red Cross will have an opportunity of contrasting the appearance of the prisoners on each side when the exchange shall have been effected.

7. After the treatment meted alike to Greeks and Armenians in Turkish territory, of which we in Greece have daily evidence, it is more than strange that a Turkish official should dare to make such baseless complaints as Adnan Bey has seen fit to do. It would be interesting to know for purposes of comparison what reply Adnan Bey could make to the following questions:—

(1.) How many Greek civilians the Turks have held prisoner since September 1922, and how many of these survive?

(2.) How many Greek churches and Christian cemeteries in Asia Minor have escaped desecration by the Turks?

(3.) What percentage of the military prisoners held by the Turks have died since September 1922?

Perhaps he could also suggest an explanation of the disappearance of the Armenian race to which your Lordship drew the attention of Ismet and the world with such tragic eloquence at Lausanne.

8. I am forwarding a copy of this despatch to Constantinople.

I have, &c.
C. H. BENTINCK.

[E 3389/4/44] No. 6.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 3.)

(No. 223.)
My Lord, *Athens, March 22, 1923.*

WITH reference to my telegram No. 92 of the 15th instant and to previous correspondence respecting the suspension of the exchange of prisoners between Greece and Turkey, I have the honour to transmit herewith a copy of a "Notice" from the Ministry for Foreign Affairs which effectively summarises the attitude of the Greek Government, as explained to me verbally by M. Politis, head of the Political Bureau at the Ministry for Foreign Affairs.

2. Knowing as I do only too well the difficulties which the Greek Government have had and continue to encounter in finding shelter for the starving multitudes which have been suddenly thrust upon them, I consider that they are fully justified in stating that if more than about 5,000 fresh refugees are thrust upon them they will be compelled to find room for them by deporting an equal number of their Mussulman

* Part II, No. 672.

population. This decision would seem to be a hard one, as, according to reports which reach me, and with which I have already acquainted your Lordship, the Mussulman population, except in Crete, are on the whole comparatively contented, and not anxious to depart. Hard as it may be, however, it is less inhuman than it would be to allow the Christians expelled from Pontus to die from exposure, and probably to infect the whole population of Greece with typhus, smallpox and other epidemics.

3. The exchange, after delay caused by violent storms in the Ægean, has been resumed, and it is to be hoped that no further hitch will occur.

4. I am forwarding a copy of this despatch to Constantinople.

I have, &c.
C. H. BENTINCK.

Enclosure in No. 6.

Greek Government to British Embassy (Athens).

LE Ministère royal des Affaires étrangères a l'honneur de porter à la connaissance de la Légation de Sa Majesté britannique qu'à la suite de la communication faite à son Excellence M. Alexandri par les représentants des Puissances à Athènes et par M. Burnier, représentant de la Croix-Rouge internationale à Constantinople, d'après laquelle le Gouvernement d'Angora, par une note remise aux Hauts-Commissaires alliés à Constantinople, déclarait avoir donné des ordres en vue d'arrêter les expulsions des Grecs du Pont, le Gouvernement hellénique s'est résolu de reprendre le transport des otages et prisonniers turcs, suspendu depuis le 28 février.

En ce qui concerne les réfugiés se trouvant dans les ports de la mer Noire et à Constantinople, dont le Gouvernement turc demande le transport en Grèce, le Gouvernement royal est obligé de déclarer que, vu le nombre considérable de réfugiés rassemblés sur son territoire, il ne pourra en recevoir pour le moment que 4,000–5,000, à condition que ceux-ci aient été désinfectés auparavant à Constantinople. Au cas où ce chiffre serait dépassé, le Gouvernement hellénique se verrait dans l'obligation de renvoyer un nombre égal de musulmans du royaume, afin d'obtenir l'emplacement nécessaire pour l'établissement de ces réfugiés. Il ne s'agirait pas dans ce cas, bien entendu, de représailles, mais d'une mesure humanitaire imposée par cet afflux éventuel de nouveaux réfugiés.

Athènes, le 14 *mars* 1923.

[E 3379/1/44] No. 7.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 3.)

(No. 185.)

My Lord, *Constantinople, March* 22, 1923.

DJAVID BEY, who, as your Lordship will remember, acted on occasion as a kind of adviser to the Turkish delegation at Lausanne, called on me to-day. He evidently came to try and find out what I thought of the Turkish counter-draft and where the renewed discussions with the Turks were likely to take place. I avoided all discussion of the Turkish counter-draft, and said that I had no idea where the proposed discussions would take place. I said that this latter point would no doubt be decided at the meeting of the Allied experts in London.

2. I then asked Djavid Bey for his impressions of the Lausanne Conference, knowing that he was in a better position to take an objective view of the part played by the Turkish delegation than if he had been an official member of the delegation. Djavid Bey readily admitted that the Turkish delegation had committed serious mistakes. Ismet Pasha, he said, was an honest man, and he (Djavid Bey) had welcomed Ismet Pasha's appointment as head of the delegation. But he had been badly seconded and he did not understand economic and financial questions. To Djavid Bey's mind it was inconceivable that the proceedings at Lausanne should have terminated as they had done, and that Ismet Pasha should have allowed your Lordship to leave without coming to a settlement.

3. Djavid Bey went on to say that, in his view, Ismet Pasha's handling of the Turkish case had not been skilful and had been in marked contrast to your management

of the business of the conference. Ismet Pasha had made the mistake of deferring the solution of some of the principal territorial and political questions, with the result that, in the end, he had had to give way on them. Ismet Pasha should, for instance, have pressed the question of Kara-Agatch to a solution in the early stages of the conference. If he had followed this procedure, he (Djavid Bey) was convinced that Kara-Agatch would have been returned to Turkey. Then again Ismet Pasha was too receptive of everything that was said to him and his confidence was apt to be abused by his entourage. With the exception, perhaps, of Hassan Bey, who had some knowledge of financial questions, the Turkish delegation had been ignorant of the economic questions with which it had to deal.

4. Djavid Bey was further of opinion that the conference had lasted much too long and that it would have been possible, with more business-like methods, to have got through the work in four or five weeks. He then alluded to the concession made by you with regard to the payment for the Turkish battleships. He was dissatisfied with the manner in which the Turkish delegation had handled this question. He gave me to understand that if he had had any say in the matter he would have obtained the payment by the British Government to Turkey of the money for the battleships. Turkey was badly in need of a few millions to start her on her new career, and she would have given British and Allied subjects bonds carrying 5 or 6 per cent. interest and guaranteed by the Public Debt in payment for reparation claims. Thus it would have been merely a question for the British Government of paying the money into one chest rather than into another. I told Djavid Bey that I did not think that the British Government would have consented to any such course.

5. Djavid Bey expressed the view that there were great disadvantages in the case of Constantinople as the seat of the further discussions. The proceedings would be prejudiced by the Turkish press. If the Turks had reason to suspect that things were not going as they wished, Deputies would come down from Angora and would exercise considerable pressure on the Turkish delegation. In fact, Angora was too close to Constantinople. He then alluded to the outspoken line taken by the "Tanin," whose editor is his great friend Djahid Bey, with regard to Riza Nour and the question of the future capital of Turkey. He said that the remarks in the "Tanin" about Riza Nour's unfitness for the post of second Turkish plenipotentiary had given great offence at Angora. He scoffed at the idea of Angora as the future capital of Turkey. Who would be got to go there? The Powers would certainly never send anybody there above the rank of a consul. When I mentioned that Mr. Chester had promised to construct a new capital, he smiled and said that Admiral Chester had ventilated far-reaching schemes for the development of Asia Minor years ago when he (Djavid Bey) was Minister of Finance. He did not think there was anything in the Chester scheme and did not believe that it had any financial backing.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

[E 3380/1/44] No. 8.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 3.)

(No. 186.)

My Lord, *Constantinople, March* 23, 1923.

GENERAL PELLÉ alluded in conversation with me last night to the sudden campaign which the Turks have started in connection with Antioch and Alexandretta. It looked as if this campaign had been launched on a *mot d'ordre*, and it coincided with the remarks made by Mustafa Kemal Pasha during the latter's recent visit to Adana, which I reported in my despatch No. 182 of the 20th March. In support of their campaign, the Turks were making the most scandalous charges against the French of cruelty and atrocities against the Moslem population of those districts. Some of the organs of the Turkish press were accusing the French of acting towards Antioch and Alexandretta in the same manner as the Germans had acted towards Alsace and Lorraine in 1871. One paper, which had given a list of some of these so-called atrocities, had stated *inter alia* that the French had in one instance shod with horse-shoes two fellaheen of Alexandretta, on the charge of having killed two Armenians. The French were accused of forming Armenian bands near Aleppo for the purpose of harrying the Moslem population. Some of the Turkish

papers developed the view, so often ventilated here of late, that French financial interests wished to exploit Turkey. In fact, the attitude of the Turkish press towards the French was as intolerable as it was disingenuous.

2. General Pellé likewise informed me that the subservient Colonel Mougin had just arrived from Angora thoroughly disgruntled. The latter part of his stay at Angora had been very unpleasant, and General Pellé described him as neuras thenic and as having no wish to return to Angora. I understand, however, that Colonel Mougin is returning to his post on the 25th instant.

3. The Turkish press has also taken advantage of its speculations in regard to the persons likely to represent the Allied Powers at the new conference, to indulge in abuse of M. and Mme. Bompard. The "Ileri" threatens France by stating that if the French wish to remain in Syria they must keep on friendly terms with the Turks by facilitating the conclusion of peace. "Unfortunately France, in retaining M. Bompard's services, which formerly drove the Turks into the German fold, is helping them to become the friends of the British."

4. It will be seen from the foregoing that the former French policy of currying favour with the Turks has had its natural result. The latter are now trying to intimidate the French in view of the forthcoming renewal of the treaty discussions. The Turks obviously think that that is the best way of dealing with people who have shown subservience to them in the past.

5. The statements in the Italian press to the effect that the Italians cannot give up Castellorizzo have surprised and annoyed the Turkish press, which hints that the Italians need not expect economic concessions in Anatolia unless they give the island in question back to Turkey. In a leading article in the "Waki," which analyses the attitude of the three Allies towards the Turkish counter-proposals, the paper, after stating that the French now refuse to agree to reserve the financial and economic clauses for future discussion, concludes that if Italy follows the lead of France in the question of Castellorizzo "strange events will then take place."

6. A good deal of this language is undoubtedly due to the irritation and uneasiness caused by the meeting of the Allied experts in London, which the Turks think will make for a reconstruction of the Allied front. A prominent Frenchman whom I met yesterday evening said that there was much confusion at Angora and that the propaganda put out by the Turks that their counter-proposals represented the minimum of what they could accept and were their last word was a gigantic bluff.

7. Colonel Mougin has brought accounts which are not without interest of the rôle which has been assumed by Mustafa Kemal's wife, who is evidently a lady of great ambition. She has brought her husband a considerable fortune, and is starting a campaign for the emancipation of Moslem women in such matters as the wearing of the yashmak, &c. She has considerable ascendancy over Mustafa Kemal, and appears to interfere in political matters. Her interventions are perhaps not always fortunate, as will be seen from the following incident: The Emir of Afghanistan had recently sent a robe of honour to Mustafa Kemal, which was handed to him with considerable ceremony by the Afghan representative. On beholding this robe, Mme. Mustafa Kemal explained "Ça fera une excellente sortie de bal".

I have, &c.
HORACE RUMBOLD,
High Commissioner.

[E 3436/6/44] No. 9.

Mr. Erskine to the Marquess Curzon of Kedleston. —(*Received April* 3.)

(No. 71.)
My Lord, *Sofia, March* 24, 1923.

I HAVE the honour to transmit herewith copy of a despatch which has been received from His Majesty's vice-consul at Varna on the subject of naval action by the Turkish forces in the Black Sea. It is to be regretted that its passage through the Bulgarian post should have taken more than three weeks since.

I am sending a copy of this despatch to His Majesty's High Commissioner at Constantinople.

I have, &c.
W. ERSKINE.

Enclosure in No. 9.

Vice-Consul Gilliat-Smith to Mr. Erskine.

(No. 28.)
Sir, *Varna, March* 7, 1923.

I HAVE the honour to report that, according to evidence which has reached me indirectly from Bulgarian ex-naval officers who are at present in the coastguard service, the Kemalists now possess a small number of armed motor-launches in the Black Sea for the purpose of attacking merchant-vessels flying the Greek flag. Several such merchant-steamers and sailing craft have already been sunk, and their crew killed. These armed motor-launches operate chiefly off the coast at Midia.

The same authorities state that Turkish vessels and likewise vessels flying the Italian flag, ostensibly bound for Constantinople with provisions and fodder, discharge their cargo at Midia.

I have, &c.
B. GILLIAT-SMITH.

[E 3386/4/44] No. 10.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received April* 3.)

(No. 195.)
My Lord, *Constantinople, March* 27, 1923.

I HAVE the honour to transmit herewith copy of a report drawn up by Major Hobson, physician to this High Commission, on the subject of the present situation of the refugees from Black Sea ports now assembled in Constantinople.

2. As directed in your Lordship's telegram No. 85 of the 16th March, I did not fail to urge the French and Italian High Commissioners, as well as the Japanese, Belgian, Swedish and Netherlands representatives, to address an appeal on behalf of these refugees to their national benevolent societies, and the majority of my colleagues have now informed me that they have done so.

3. It is greatly to be hoped that these appeals will produce a satisfactory result as, although American charitable institutions are giving most generous help, and the Allied military authorities are lending what assistance they can to alleviate distress and circumscribe disease, the situation of these refugees is still pitiable in the extreme and menacing to public health.

4. I fear that considerable time must necessarily elapse before Greece is in a position to accept a sufficient proportion to relieve the existing congestion.

5. I am forwarding a copy of this despatch to His Majesty's Chargé d'Affaires at Athens.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

Enclosure in No. 10.

Report on the Condition of Greek Refugees in Constantinople.

THE influx of these refugees from Pontus, chiefly from the ports of Samsoun and Trebizond, started about the middle of December last, and they now number approximately 24,000. For the great part they consist of women and children, old men and cripples, with few, if any, able-bodied men among them. A fair proportion have been able to bring away with them personal possessions, chiefly in the form of bedding and cooking utensils, and are evidently in possession of some funds as they are able to supplement the rations provided by charitable and other organisations; a large proportion are, however, without property or means. Nearly all are badly infested with vermin, and many are, on arrival, infected with smallpox and typhus. It is to be noted that the Turkish statistics of infectious diseases in these ports indicate very few cases of these diseases being present; as, however, the ships arrive in a very congested condition, the alarming increase in the number of cases soon after disembarkment can be understood.

It must be remembered that during the past few years this city has been exposed to so many influxes of refugees, many of whom are still here, that, although Constantinople is better provided with barracks than any city in the world,

the finding of extra accommodation for these people has been very difficult; and overcrowding cannot be avoided; there are still a few hundreds for whom no accommodation can be found and who are obliged to rest in disused gunpits or in the open. The mortality amongst the aged and children so exposed has necessarily been high.

A brief description of the conditions in Selimlieh will illustrate what exists in all other buildings. This barrack is capable of accommodating 10,000 troops. One fourth of this building was set aside for the new refugees, and more than 10,000 were accommodated in the building and adjoining stables. In every room visited, without making a special search, smallpox, typhus, and cases of influenzal pneumonia were seen lying huddled up for warmth with other members of their families. In one case a small child suffering from smallpox represented the sole survivor of a family of seven who had, in ten days, all succumbed to this disease. Several dead bodies were lying outside the building awaiting collection: three or four deaths actually occurred during the visit, and many others were seen to be *in extremis*. No segregation of the sick was possible owing to the lack of organisation and space, nor could they be transported to hospital, as the only available hospital was already overfull. The diet of these people consisted of half a loaf of bread a day, supplied by the American Relief Commission. The director of the barracks and two doctors had already developed typhus, and it was difficult to replace them.

The organisations responsible for the care of these people are the Turkish Government and its medical service and the Greek Red Cross. The former were at first quite apathetic and gave no assistance, and even failed to apply adequately those measures which lay within their powers; I refer particularly to the vaccination and disinfection which could have been carried out at the quarantine stations on arrival; the absence of all organisation and supervision made both these operations useless. The Greek Red Cross lacked, and still lacks, organisation, and is hampered by shortage of funds; there was, moreover, no co-ordination between the Turks and Greeks. As a result of repeated appeals from the High Commissioners and the American Relief Commission, and, possibly, fear of public opinion, has to some extent awakened in the Turks a sense of their responsibility and in their usual incompetent way their medical services are attempting to assist

By decision of the High Commissioners an International Commission was formed and reviewed the situation with a view to co-ordinating the work of these bodies. Apart from other decisions, three main ones were taken by this commission:

1. To find more accommodation.
2. To increase the existing hospital accommodation
3. To clear Selimlieh barracks and convert it into a clearing house for all future arrivals.

As regards the first of these decisions, more buildings have been provided by the Turks, and the Patriachate has also put at the disposal of the Red Cross the Theological College at Halki and various other buildings. In spite of these additions more accommodation is still needed.

As regards the second decision, further pavilions at the Greek Hospital have been equipped and brought into use with funds received from Lady Rumbold's Relief Fund. Further pavilions have been equipped at the Haidar Pacha Turkish Military Hospital with funds received from the Turkish Red Crescent, which contributed £T 2,200, and with a grant from funds in the hands of the Urban Sanitary Commission. From these same funds payment has been guaranteed for some beds at the hospital attached to the Faculty of Medicine. The American Relief Commission have equipped and put into use 100 beds at Selimlieh, which they hope to be able to increase shortly to 220. There has, therefore, been an increase of between 300 and 350 beds with the possibility of a further increase in the near future.

As regards the third decision, the American Relief Commission have undertaken the entire control of Selimlieh for a limited period and are carrying out organised vaccination and disinfection, for which purpose disinfectors and spray baths have been lent by the British and French armies. Seven hundred Albanian refugees and 500 Russians have been cleared out of these barracks, so that four-fifths of the entire barrack is now available.

Spray baths and disinfectors have been sent to the various other buildings and a marked diminution in the number of cases of smallpox and typhus is noted during the last week, and it is hoped that within the next week or two the situation, as regards this batch of refugees, will be well in hand; but at the same time it should

be recognised that this hopeful state of affairs can, and will be, completely reversed if a further influx occurs without a preliminary clearance from here to Greece. I would further lay stress on the need for funds for the purchase of tents, fuel, food, and for the payment of transport and hospital upkeep.

The American Relief Commission has extended its sphere of operation and is carrying out vaccination and disinfection at Samsoun, where there are approximately 16,000 refugees awaiting shipment; they are extending this work also to the port of Trebizond.

I would like to draw attention to the excellent work which is being done by the American Relief Commission, particularly by Dr. Post and Miss Allen, who have shown the greatest devotion and sacrifice under very trying and dangerous conditions, in fact, the latter has herself contracted typhus. I would also like to draw attention to the work of an English lady, Mrs. Worcester, who, though unconnected with any charitable organisation, has fearlessly been exposing herself to the risk of infection in aiding these unfortunate people with food and clothing.

TABLE showing Incidence of Smallpox and Typhus.

—	Number of Refugees.	Smallpox.	Typhus.	Other Diseases.
March 1 to 7	21,067	73	84	573
„ 8 „ 15 ..	22,775	144	234	355
„ 16 „ 22	23,530	161	142	264

The returns for the week 1st to 7th are incomplete. During the week 16th to 22nd, 3,080 refugees left Constantinople for Greece and 3,025 arrived. There are also included in this week 1,094 persons in encampments from which no return had been received during the previous week.

DEATH RATE.

March 1 to 7	276
March 8 to 15	575
March 16 to 22	583

The accuracy of all the above figures is very doubtful

H. G. HOBSON.

March 28, 1923.

No. 11.

Mr. Phipps to the Marquess Curzon of Kedleston.—(*Received April* 3.)

(No. 355.) [By Bag.]

(Telegraphic.) *Paris, April* 2, 1923.

M. HERBETTE, in this evening's "Temps," expresses satisfaction with the decision come to by the Allies to allow their concessionnaires to enter into direct negotiations with the Turkish Government, but regrets that this plan was not adopted six months ago.

M. Gauvain, on the other hand, in the "Journal des Débats," strongly deprecates the plan, which will, he declares, consecrate the capitulation of the Allies. M. Gauvain expresses himself very pessimistically in regard to the situation at Angora, and enquires who will govern Turkey during the approaching elections, who will instruct the Turkish negotiators at Lausanne, of what value will be a treaty signed by Ismet Pasha, if, indeed, he signs it, and of what value will be any private agreements concluded between the Western concessionnaires and the representatives of the Turkish State. M. Gauvain, in conclusion, draws attention to a violently anti-French article in the "Ileri" of the 21st ultimo, in which M. Bompard is personally attacked, and in which the Turks call upon the French to return to them Antioch and Alexandretta.

No. 12.

Mr. Bentinck to the Marquess Curzon of Kedleston. (*Received April* 3.)

(No. 114.)
(Telegraphic.) R. *Athens, April* 3, 1923.

MY telegram No. 112.

It is reported locally that reason for Minister for Foreign Affairs' journey is to explain to M. Venizelos that Greece cannot continue as at present, but must renew war.

I am not in a position to verify this report, which seems improbable

Report that Allies have decided that question of Greek indemnity is to be left for direct negotiations between Greece and Turkey has naturally caused greatest disappointment here. It is pointed out in press that Greeks gave up Eastern Thrace in order that Allies should give them peace, but that net result is that they are now to be left to negotiate it alone.

Press reports that Minister for Foreign Affairs will stop at Belgrade on his return from Monte Carlo.

(Repeated to Constantinople, No. 65.)

[E 3467/4/44] No. 13.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received April 4.)

(No 175.)
(Telegraphic.) R. *Washington, April* 3, 1923.

YOUR despatch No. 343

United States Government informs me that American Red Cross has decided to terminate its relief work in Greece on the 30th June next. While Near East relief are prepared to continue child welfare work, they also desire to conclude as soon as possible emergency relief now being granted to about 100,000 adult refugees.

In these circumstances, United States Government suggest exchange of views with British, French and Italian Governments with a view to securing co-ordinated action for liquidation of relief problem, which they consider now to be question for solution by co-operation between Powers and local authorities concerned, and not by private relief agencies. If, however, constructive scheme can be worked out, American relief agencies are willing to co-operate even after termination of their present activities.

United States Government are making similar communication to French and Italian Governments, and are informing Greek authorities of decision of the Red Cross.

(Copy of note by bag.)

[E 3458/1/44] No 14.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received April 4.)

(No. 176.)
(Telegraphic.) R. *Washington, April* 3, 1923.

YOUR telegram No. 105.

As result of unofficial suggestion to State Department that in order to avoid misunderstanding it might be useful if they would explain precisely which clauses of draft treaty United States Government thought objectionable or ambiguous, I have received note giving preliminary observations but reserving right to give more detailed expression of opinion later.

Note states that Mr. Child's proposal (see your despatch No. 213 of 9th February) was put forward as he did not consider that American mission had had adequate opportunity of discussing provisions of treaty regarding rights and concessions granted by Turkish Government, and in order to avoid any misunderstanding which might result from settlement by provisions of treaty of juridical questions involving interests of American nationals

Note explains that chief provisions referred to by Mr Child were as follows:—

1. Paragraph 2, article 94. United States Government think this might be invoked as validating claims not in fact finally approved by Turkish Government

before the 29th October, 1914, and that it would be unfortunate if the Allies were to confer by treaty, rights more extensive than those acquired under conventions, contracts, &c., in question. In this connection, attention is also drawn to concessions which might be claimed under article 96 from Governments of territories detached from Turkey and provision in article 65 regarding acquisition of Ottoman Empire possessions without payment United States Government presume that property acquired under operation of this article would be subject to existing rights of interested parties, but they think language should be more explicit

2 Article 97. United States Government think this open to objectionable interpretation and could not admit that it impairs any right acquired by American nationals legally and in good faith

3. United States Government presume that annulment of concessions specified in article 98 cannot be intended to deprive American nationals of rights they have in good faith acquired therein.

Lastly, United States Government presume that article 115 does not cover any existing agreement between United States and Turkey, and does not affect legal status of any treaty rights of United States Government.

(Copy of note by bag.)

No. 15.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 4.)

(No. 117.) *Athens, April* 4, 1923
(Telegraphic.) R.

GREEK Government have heard that Turkish authorities at Smyrna propose to confiscate goods belonging to Greek nationals deposited in local banks Greek Government protest formally against action contemplated on grounds of general humanity and as contravening express stipulations of convention for exchange of possessions, and ask for intervention of His Majesty's Government on their behalf.

Despatch follows.

(Repeated to Constantinople, No. 67.)

[E 3493/1/44] No. 16.

Minutes of Meeting held at the Foreign Office on March 28 *respecting the Question of Private Negotiations by British Holders of Pre War Concessions in Turkey with the Turkish Government.*

A MEETING was held at the Foreign Office on the 28th March to discuss the question of private negotiations by British holders of pre-war concessions in Turkey with the Turkish Government.

The following companies were represented:—

Smyrna–Aidin Railway Company	Mr Parker.
Constantinople Quay Company	Mr Parker.
National Bank of Turkey	Sir H. Babington Smith
Eastern Construction Committee	Sir V. Caillard
	Mr Saxton Noble
	Mr. Davison.
Constantinople Telephone Company ...	Sir Alexander Roger
	Mr Kingsbury.
Eastern Telegraph Company	Admiral Grant
	Mr. Hilderdine
Ottoman Gas Company (Smyrna)	Mr Clarke
	Mr Daun.
Borax Consolidated	Mr. Daniels
Smyrna Mining Concessions	Mr Erie Paterson
	Mr Whittall.

Mr. Payne and Mr. Fountain were present on behalf of the Board of Trade, and Mr. Weakley and Mr. Forbes Adam on behalf of the Eastern Department of the Foreign Office.

Mr. Payne took the chair.

MR. PAYNE opened the proceedings by referring to the letter which the Foreign Office had already addressed to the firms concerned, setting out the objects with which the meeting had been called, and he resumed again briefly the reasons which had led the Allies to make this proposal to those of their companies who held pre-war concessions in Turkey. On pp. 611 and 612 of the published Blue Book regarding the Lausanne Conference the reasons which the Turkish Government have for their refusal to accept the clauses in the draft treaty relating to concessions were made clear. Both Ismet Pasha and Zekiai Bey had professed to be perfectly ready to meet the just claims of these companies for an extension or readaptation of their pre-war concessions, and there seemed no doubt that they were quite ready in any case to maintain them, but the Turks throughout the conference had made a great point of doing nothing which might prejudice their independence and sovereignty. They therefore claimed that, while they would treat with those companies, who, as Ottoman companies, were in some sense their own subjects, they would not agree to any clause being imposed upon them in the treaty as to how they were to deal with their own citizens. Mr. Payne added that it was greatly regretted that such short notice had to be given to the companies, but, as explained in the Foreign Office letter, the proposal had only been put forward in the course of the recent meeting of Allied experts, and some political discussion between the Governments had been necessary before it could be debated with the firms. He asked Mr. Parker, as representing perhaps the oldest British company in Turkey, to give his views on the proposal.

MR. PARKER explained that he was there representing both the Quay Company, which was half French, and the Smyrna–Aidin Railway. In principle, he did not object to the proposal, but he was anxious to consult his board. As the question of their interests in Turkey was a very large and complicated one, and before they entered on any direct discussions with the Turks, of which, as a matter of fact, he personally had always been in favour since the Paris Peace Conference, his firm would have carefully to consider what attitude they were to adopt. For instance, on a certain date it was provided in their old concession that the Turkish Government should buy up the concern at a price in sterling. Their concession also contained a clause providing for arbitration by the Turkish Government in case of dispute. On one point, in particular, Mr. Parker felt strongly, and that was that negotiations should, if possible, be in Europe, and not at Constantinople, much less at Angora; he thought it would be beneath the dignity of the firms to send representatives out to Angora, and it was preferable that negotiations should take place in some Swiss town in proximity to Lausanne, where the firms would be able to keep in touch with the official diplomatic negotiators of their Governments.

MR. FORBES ADAM pointed out that there were two main reasons for going to Constantinople. Firstly, that, if the Turks were to be taken at their word and given a chance of negotiating a settlement with companies which they considered as private Turkish companies, they might well be prejudiced against the companies if the latter said they would not go to Turkish soil, but invited the Turkish Government to send representatives to Switzerland. Secondly—and this was a point which had made the French determined to go to Constantinople—experts with technical knowledge from the Turkish Departments concerned would be required if the negotiations were to be quickly and successfully carried out.

MR. PAYNE also pointed out, in reply to a doubt expressed by Mr. Parker as to whether any decision would be taken by Turkey in these matters as long as their Minister for Foreign Affairs was negotiating abroad, that Mustafa Kemal and Reouf Bey were just as likely, if not more likely, to take decisions as Ismet, and they would be on the spot.

SIR H. BABINGTON SMITH said that he was in favour of the proposal, and thought that Constantinople would be a better meeting ground than any European town outside Turkey. He was not quite clear as to the scope of the discussions. Were any details to be discussed?

MR. PAYNE explained that the main purpose of the discussions would be to endeavour to arrive at two or three articles laying down the general principles on which the Turkish Government was to satisfy the concessionnaires on the lines of the articles already contained in the draft treaty of the 31st January. If there was time between the conclusion of the negotiation of these draft articles and the conclusion of the general negotiations for peace at Lausanne, each concessionnaire could

enter into further detailed negotiations with the Turkish Government applying the principles to his special conditions.

SIR A. ROGER said that, so far as his firm, the Constantinople Telephone Company, was concerned, it was essential that the negotiations should take place in Constantinople. They had their man there, who had all the technical knowledge, and had already negotiated with the late Constantinople Government since the armistice for the confirmation and extension of their old concession.

SIR VINCENT CAILLARD, speaking on behalf of the Docks and Quay Company, said that his firm were also in favour of negotiations on Turkish soil. It would be impossible satisfactorily to conduct negotiations outside Turkey. His firm were anxious to do all they could to help the Government over a difficult stile. They quite realised the necessity of meeting the Turks on this point and giving them a trial, but he was not quite clear as to what inducement was going to be held out to make them conclude negotiations or what big stick could be employed to influence them.

MR. PAYNE explained that the inducement and the stick were the Allied announcement from the first opening of the negotiations that, if the Turkish Government did not succeed in satisfying the firms, the Allied Governments would be bound to press for the insertion in the treaty of something like the present draft articles dealing with concessions. The important point from the Government's point of view was that the Turks should be given a trial of good faith.

MR. HIBBERDINE, of the Eastern Telegraph Company, explained that his firm were, as a matter of fact, not an Ottoman company, but a British firm who had made a contract as regards landing and running rights on Turkish soil. They had a concession which would last until 1934, but there were numerous outstanding questions with the Turkish Government, such as the payment of terminal dues, &c., and it would be a good thing for them to join with the other British firms and discuss matters with the Turkish Government.

MR. PAYNE said that he thought, in any case, they were in a fairly safe position up to the expiry of their concession in 1934.

MR. FOUNTAIN pointed out that the company was really not a concessionnaire in the ordinary sense of the word, but simply held a contract from the Turkish Government. Among the economic clauses of the draft treaty were articles whereby such contracts were to be maintained subject to arbitration about details. Unfortunately, the Turks objected to arbitration on principle, and it would probably, therefore, be advisable for the company to enter into the negotiations.

MR. HIBBERDINE agreed.

MR. DANIELS, of the Borax Consolidated (Limited), explained that his company were in a difficulty, as they had held back the payment of the royalties since 1919, with the assent of the Constantinople Government, in part payment of the damages which they had suffered during the war. He enquired what the Turkish Government were likely to do about it.

MR. PAYNE explained that the Angora Government were likely to reclaim the amounts in arrears just as they were claiming the payment of the terminal charges by the Eastern Telegraph Company.

MR. DANIELS also pointed out that the Turkish Government during the war had imposed upon them a contract which, of course, it had been impossible for them to fulfil and had claimed the sum of 700,000*l.* on that head. He agreed that in principle it was desirable that the company should enter into direct negotiations on these points.

MR. CLARKE, of the Ottoman Gas Company (Smyrna), pointed out that his company was in a peculiar position as they really were a British company holding a concession in Turkey and had never registered as an Ottoman company. They wished to get their concession confirmed and details settled and to enter into negotiations.

SIR H. BABINGTON SMITH enquired whether there would be any Angora Government officials at Constantinople with whom they could treat.

MR. PAYNE explained that the Foreign Office would endeavour to ensure that negotiations took place at Constantinople and that representatives with real technical capacity and full powers were sent there to negotiate. In any case, Constantinople was in telephone communication with Angora.

In reply to a question by Sir H. Babington Smith, Mr. Payne also stated that the idea was to insert in the treaty eventually clauses something like those already in the draft treaty if and when it became clear that the Turks were not treating satisfactorily with the firms.

SIR H. BABINGTON SMITH also raised the question of what the French were doing.

MR. FORBES ADAM explained that they had formed a group of representatives, and that M. Charles Laurent, c/o the Banque ottomane, Paris, was the head of the group, and that, if any of the British representatives wished to get into touch with him, they could do so direct.

Both MR. PARKER and MR. KINGSBURY explained that the subjects which they would have to treat with the Turkish Government were too technical for them to delegate the representation of their interests to any other person.

MR. PAYNE agreed that it might be difficult for several firms to delegate their negotiations to other hands, but it probably would not be difficult for all of them to agree among themselves upon certain principles which would form the subject of the initial negotiations with the Turks, and which would be of general application to all the firms. In the practical operation of these principles, of course, very different treatment would have to be accorded to the different concessions according to their nature.

MR. KINGSBURY pointed out that his company had, in the negotiations with the Constantinople Government by which their concession had been confirmed during the armistice, waived their claim for damages in return for certain privileges. He assumed that they would be entitled to negotiate on the same lines with the Angora representatives.

MR. PATERSON enquired about the fate of pre-war mining concessions; for instance, one acquired by Mr. Whittall on a ninety-nine years' lease.

MR. PAYNE explained that they would be treated like other pre-war concessions. Nothing had ever fallen from the lips of the Turkish representatives at Lausanne which suggested that they meant to cancel any such concessions. They would probably want to readapt their terms to the new economic conditions, and they might ask for larger royalties.

MR. PATERSON feared that their terms would not be fair because they would take no account of the very large sums of money originally paid to the Turkish Government in order to obtain the concession.

MR. FOUNTAIN thought that arbitration would probably be the best method of settlement, but the difficulty was to induce the Turks to agree to it.

SIR H. BABINGTON SMITH reverted to the question of the representation of the British group. It would be obviously necessary, owing to the technical nature of many of the concessions, that individual negotiations should proceed, but it might be of assistance to everyone if one person were chosen to maintain contact with the Government Departments concerned and between all the firms. He could also act as a kind of secretary-general and advise them in the initial negotiations with the Turkish Government in settling the points of principle.

MR. KINGSBURY agreed that there were advantages in cohesion, but it would be very difficult for his firm to let anyone else negotiate on their behalf.

SIR H. BABINGTON SMITH thought it would be much better for them all to keep together, however much latitude was to be given to each firm in negotiation. Surely they might choose one man as chairman to assist and co-ordinate all their efforts.

MR. PARKER said that he, too, agreed as to the desirability of cohesion, but was himself very doubtful whether his firm, owing to the delicate nature of the negotiations which they would have to undertake, would wish to depend in any way on the rest of the group. He himself believed that the Turks were anxious to

settle with them, as his firm had powerful financial interests behind them. He thought the Turks would probably be anxious to enter into negotiations with them anywhere they wished.

MR. PAYNE replied that the Government merely wished to extend this opportunity to firms to come together and negotiate jointly with the Turkish Government, but if any firm thought that their interests would be better served by acting independently, they could not, of course, be prevented from doing so. The Foreign Office would certainly aim at insisting upon Constantinople and not Angora being the rendezvous for the negotiations. They would also insist upon good Turkish experts being sent to negotiate. The High Commissioners at Constantinople would keep in touch with the firms and it would be perfectly easy for the diplomatic negotiators to be kept informed by telegram of the proceedings at Constantinople.

A discussion followed as to who might be chosen as chairman and as secretary-general and liaison officer for all the firms. The name of M. Ostrorog was mentioned as one who had held posts under the Turkish Government and was an expert in all these matters. Objection was seen to him as not being a British national or sufficiently representative of British commercial interests.

Finally, on Mr. Weakley's suggestion, all present agreed that they would like Sir H. Lamb to be sounded as to undertaking the post of secretary-general and liaison officer at a certain remuneration. Meanwhile, Sir H. Babington Smith consented to act as a kind of chairman of the group through whom they could communicate with the Foreign Office and Board of Trade.

During the course of the discussion it was incidentally mentioned that the Allied reply to Ismet Pasha's note of the 8th March would contain a reference to the proposed private negotiations between the Angora Government and the Allied firms. It was proposed to follow up this invitation about negotiations in principle with another note from the High Commissioners as to place and procedure, &c., if and when the Turkish Government accepted the first invitation.

After the decision about Sir H. Lamb had been taken, the meeting broke up.

E. G. F. ADAM.

Foreign Office, April 4, 1923.

No. 17.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 5.)

(No. 357.) By Bag.
(Telegraphic.) *Paris, April 4, 1923.*

M. HERBETTE, in to-night's "Temps," expresses the hope that France will, in all the forthcoming Near East negotiations, be represented by men who really understand the East of to-day, which, although it is supposed to be unchanging, is in fact changing with extreme rapidity. Amongst the Turks who represented it the oldest were not much more than 40 years of age.

Such language by M. Herbette may indicate an intention on the part of the Quai d'Orsay to replace M. Bompard by some negotiator who has not incurred the wrath of the Turkish press.

No. 18.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 5.)

(No. 218.)
(Telegraphic.) *Constantinople, April 5, 1923.*

FOLLOWING from consul-general, Smyrna:—

"Following movements reported: Cassaba line, thirty-two trains ordered for conveyance of troops from Balikessri to Afium Karahissar; movement already begun, four trains daily. Owing to gaps on this line, fourteen trains of horses from Akhissar will follow Aidin Railway to Dinair, thence by road to Anatolia line, commencing 6th April, two trains daily. Direction of movements southwards."

No. 19.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 5.)

(No 219.)
(Telegraphic.) D. *Constantinople, April 5, 1923.*

ATHENS telegram No. 117

Allied High Commissioners made joint protest to Adnan Bey on this subject on 19th March.

We have since learned that some safes in Italian bank at Smyrna have been opened and we are now considering what further action can be taken.

(Repeated to Athens, No. 41.)

No. 20.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 5.)

(No. 220 Secret.)
(Telegraphic.) *Constantinople, April 5, 1923.*

MY telegram No. 168.

I learn from very secret source that "Sibilla" has arrived [? Tuesday] Voiussa port.

(Repeated to Athens, No. 42, and Rome, No. 2.)

No. 21.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 5.)

(No. 221.)
(Telegraphic.) R. *Constantinople, April 5, 1923.*

YOUR telegram No. 97.

I have explained decision verbally to local heads of National Bank of Turkey, Telephone Company and Messrs. Vickers. They have heard nothing from their head offices in London. I trust that all arrangements will be expedited. It is desirable that representatives of British interests should come here immediately on the receipt of reply from Angora to Allied note in order to minimise danger of proceedings at Lausanne being hung up by delay in concessionnaires' negotiations here.

No. 22.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Constantinople).

(No. 109.)
(Telegraphic.) R. *Foreign Office, April 5, 1923.*

ATHENS telegram No. 117 of 4th April: Alleged Turkish action against banks at Smyrna.

Greek Legation here also report that the Turkish authorities at Smyrna have issued proclamations inviting the interested parties to submit regular notices of their deposits.

Greek Government infer from these proclamations that authorities in question have decided to force the safes of the Smyrna branches of the Bank of Athens, Banque d'Orient, as well as the Crédit lyonnais, Crédit foncier d'Algérie et Tunisie and the Banque de Salonique, where an approximate amount of 1 milliard francs is deposited, besides considerable stocks, securities, &c., belonging to Greeks or other European nationals.

Please telegraph your observations as to desirability of Allied representations.

(Addressed to Constantinople, No. 109; repeated to Athens, No. 51.)

[E 3520/4/44] No. 23.

Mr. Harvey to the Marquess Curzon of Kedleston.—(Received April 6.)

THE American Ambassador presents his compliments to His Majesty's Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of a communication addressed by the Department of State to the British, French and Italian Ambassadors in Washington, relating to relief work in the Near East, and giving advance notice of the decision of the American Red Cross to terminate emergency feeding operations in Greece on the 30th June, 1923.

United States Embassy, London,
April 4, 1923.

Enclosure in No. 23.

Communication addressed by the Department of State to the British, French and Italian Ambassadors in Washington.

Excellency,

THE problem presented by the evacuation to Greek territory of almost a million refugees has appealed to the humanitarian sentiment of all countries, and has severely taxed the resources of the relief organisations which have been supported in their work by the generosity and initiative of the Governments and peoples of many countries. I am confident therefore that I correctly interpret the sentiment of those who are interested in this work, in stating that the common objective is to find for the relief problem a solution which will be definable and constructive. It is with this end in view that I take occasion to call this subject briefly to your Excellency's attention.

Deeply affected by the sufferings of refugees in the Near East, the American people, through her agencies of the American Red Cross and the Near East Relief, have been participating in relief work organised to meet the emergencies which have arisen in the Near East during the past few years, and particularly to help to alleviate the acute suffering which followed the recent mass evacuations.

Immediately after the fall of Smyrna, the American Red Cross and the Near East Relief organised relief work among the refugees under an arrangement between the two organisations, according to which the Red Cross assumed responsibility for the American relief work in Greece, while the Near East Relief has cared for refugees in Turkey; thus the Red Cross for the past five months has provided for approximately 868,000 refugees assembled in camps in various localities throughout the mainland of Greece and the islands of the Eastern Mediterranean. At the present time more than 500,000 refugees are dependent entirely upon food supplies furnished by the Red Cross.

It is clear, however, that the feeding of great camps of refugees cannot and should not continue indefinitely. The solution of the problem can hardly lie in measures of temporary relief alone, though they are essential to meet an emergency such as has recently arisen in the Near East, but rather in such a disposition of the refugees as will enable them to be absorbed as promptly as possible into the normal economic life of the country where they find themselves.

The American Red Cross has therefore felt that a definite decision should be reached as to the date of terminating emergency relief work in Greece, and that an announcement of this decision should be made, well in advance of carrying it into effect, in order to give the Greek authorities and other interested agencies an opportunity to make suitable provision for the future. To postpone such action and to continue the mass feeding, in the opinion of those competent to judge, might only tend to delay vigorous measures for a more permanent solution of the refugee problem. The American Red Cross is therefore announcing the termination of its emergency relief work in Greece on the 30th June, 1923.

The Near East Relief is prepared, to the extent of its ability, to continue its child welfare work, including the support of 65,000 wholly dependent orphans now in its charge in the Caucasus, Greece, Syria and elsewhere, and to continue supplementary child welfare work for a larger number, but is anxious to terminate at the earliest possible moment the emergency relief to adult refugees, of whom approximately 100,000 are now receiving relief from this organisation.

The problem of finding permanent homes for the refugees is one, however, which is not within the scope of private agencies. It will require the cordial co-operation of the local authorities where the refugees may be situated and of the Powers whose territorial and other interests in the Mediterranean area may make it possible for them to assist.

One phase of the question which is of particular concern relates to the future of the Armenians in the Near East, since it is a grave question whether Greece, in addition to the refugees of Greek race and religion, will be in a position to care for many thousands of Armenians. In the latter case, it will be necessary to consider what disposition may be made of the Armenians who may have temporarily found refuge in Greece.

If a constructive plan can be worked out for an apportionment of the task and for the gradual solution of the refugee problem, American relief agencies will be ready to co-operate, even after the termination of the emergency relief work of the American Red Cross on the 30th June next.

In bringing these considerations to your Excellency's attention, I take occasion to suggest that, if your Government be disposed to concur as to the desirability of co-operated action to liquidate the relief emergency in the Near East, an early exchange of views would be desirable.

A similar communication is being addressed to the British, French and Italian Governments, and the Greek authorities are being informed of the decision of the Red Cross to terminate emergency feeding operations in Greece on the 30th June.

Accept, &c.

No. 24.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 6.)

(No. 222.)
(Telegraphic.) *Constantinople, April 5, 1923.*

YOUR telegram No. 106.

Army print daily news bulletin based on wireless messages broadcasted from British stations principally Leafield. This is widely circulated. Official messages are clearly distinguished from others. Once bulletin is issued we have no control over reproduction, as only censorship of press is that exercised by the Turks. We have representatives in Turkish censorship office, but they cannot interfere unless Turks consult them or matter actually published gives ground for complaint.

Remedy, forbidding army signals to pass on [? group omitted: other than] Government messages only, would be too drastic as it would stop nearly all circulation of ordinary news from British sources.

If nothing can be done at home to prevent dissemination of misleading reports, I fear we can only make the best of the situation. Fortunately, it is only on rare occasions of which, however, meeting of experts was notable example that serious danger arises. When it does it is because ordinary reader does not appreciate difference between official and non-official accounts of such proceedings if both emanate from London.

No. 25.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 6.)

(No. 223.)
(Telegraphic.) R. *Constantinople, April 6, 1923.*

I HAVE received a note from Turkish Government complaining that on night of 28th March a band of 500 Greeks coming from Samos in boats, escorted by motor boat mounting a gun, landed at Doghan Bey, south of Sivri Hissar and attacked garrison, inflicting casualties. Band, after raiding flocks, returned to Samos.

Turkish Government accuses Greek authorities of complicity in this raid, and states that if these attacks are renewed it will bombard islands by gunfire and aircraft as a reprisal.

(Repeated to Athens, No. 43.)

No. 26.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 6.)

(No. 120.)
(Telegraphic.) *Athens, April 6, 1923.*

MY telegram No. 114.

Well-informed editor of "Eleftheron Vima" told member of my staff that real reason for Minister for Foreign Affairs' visit to M. Veniselos was to urge upon him necessity for early conclusion of peace. Even a bad peace, he added, would be better than none, as *moral* of army was showing signs of deterioration owing to suspense. Former Minister for Foreign Affairs (M. Rentis) also said that situation of suspense was slowly killing country. Inspired article appeared subsequently in "Embros" to the same effect as M. Rentis's remarks.

(Repeated to Constantinople.)

No. 27.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 7.)

(No. 123.)
(Telegraphic.) R. *Athens, April 6, 1923.*

FIRST batch of Greek prisoners exchanged by Turks have arrived here in lamentable condition. Greek Government have protested in circular note to my colleagues and me and invited us to visit those still in quarantine to verify condition for ourselves.

French Minister considers this a matter for International Red Cross, and not for Corps diplomatique, and proposes to take no action. Italian and Belgian colleagues agree. United States Chargé d'Affaires is away. His secretary believes he is undecided. I had considered possibility of military attaché visiting quarantine station, but in view of attitude of my colleagues I hesitate to send him without instructions.

(Repeated to Constantinople.)

No. 28.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 7.)

(No. 124.)
(Telegraphic.) R. *Athens, April 7, 1923.*

MY immediately preceding telegram.

Military attaché points out that in 1919, when Bulgarians made bitter complaints at Lausanne of treatment of their prisoners in Greek and Serbian hands in Salonica area, he was instructed to investigate on the spot, and that no other Allies did so (see your despatch No. 211 of 25th September, 1919).

No. 29.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Constantinople).

(No. 111.)
(Telegraphic.) R. *Foreign Office, April 7, 1923.*

MY telegram No. 97 of 28th March.

Smyrna–Aidin Railway Company have since informed us that they do not wish as yet to enter upon suggested negotiations with Angora Government in Turkey. They prefer for the present to reserve their liberty of action and to take advantage of the permission of the Foreign Office to enter into direct relations with the Turks in their own way and with their own means. (End of R.)

(Confidential.)

Real reason of attitude of the company is understood to be that they are at the moment conducting confidential negotiations with the Zurich Bank holding a

controlling interest in Anatolian railway shares and with a Turk, Shefket Bey. They believe these negotiations will do more than achieve for the company what is offered them under articles 94 and 80, and under the general private negotiations now proposed by the Allied Governments, and they do not like to prejudice their chances by any kind of joint negotiation, either with rival French or British interests.

No. 30.

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington).

(No. 122.)
(Telegraphic.) R. *Foreign Office, April 7, 1923.*

YOUR telegram No. 175 of 3rd April: United States Government's proposals for exchange of views regarding liquidation of refugee problem in Near East.

Please inform United States Government that His Majesty's Government welcome their proposal for exchange of views regarding liquidation of refugee problem, and will gladly co-operate with them as far as possible with a view to work out constructive scheme, and will await definite proposals from United States Government before taking further action.

You should, however, bear in mind, for your guidance in discussing matter with United States Government, that His Majesty's Government have already given very considerable assistance (see my telegram No. 351 of 4th December), and that they will not be able to undertake any further financial liabilities for refugee relief.

No. 31.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 8.)

(No. 129.)
(Telegraphic.) R. *Athens, April 8, 1923.*

CONSTANTINOPLE telegram No. 223.

I mentioned matter privately to official in Ministry for Foreign Affairs. After enquiry he informs me that neither Ministry for Foreign Affairs nor Ministry of War have any knowledge of matter, and that certainly there is no complicity in raid. Stringent orders are being given to authorities in islands adjacent to Asia Minor coast to prevent repetition.

(Repeated to Constantinople.)

[E 3589/2104/44] No. 32

Sir H. Rumbold to the Marquess Curzon of Kedleston —(Received April 9.)

(No. 204.)
My Lord, *Constantinople, April 3, 1923.*

WITH reference to the penultimate paragraph of my despatch No. 193 of the 27th March relative to the "Chester scheme," I have the honour to state that further information leads me to believe that it is not the intention of the Angora Government to submit the contract relative to the importation of agricultural machinery to the approval of the Grand National Assembly, but to treat it as an ordinary contract into which the Department of Economic Affairs was free to enter without reference to the Assembly. Mr. Clayton Kennedy, who recently returned to Constantinople and has, I believe, already left for America, claims to have obtained a definite agreement, and the view that the Angora Government regards it in the same light is borne out by such information as I have been able to glean from the Turkish press, a section of which strongly criticises the action of the Government. The "Tanin" has been particularly outspoken on the subject, but some even of the Nationalist papers also take exception to the conclusion of the contract.

2. The "Tanin" published what purported to be the text of the agreement on the 26th March. If this version is correct, and there is no reason to doubt its accuracy,

the Turkish Government would appear to have indeed made a somewhat foolish bargain. The Ottoman American Development Company undertakes to import agricultural machinery for sale on the instalment system, to provide training centres, repair shops and spare part depots. The Government on its side promises no monopoly or even customs immunity, but the company has the right to require the guarantee of the Agricultural Bank for individual sales to the value of over £ T. 100, and the Government undertakes for six years that, if the annual gross sales fall short of £ T. 400,000, the Agricultural Bank will buy at a slightly reduced price a quantity of machinery sufficient to bring the company's takings up to that figure, subject to the proviso that this guarantee is to lapse if after three years the total gross sales have amounted to £ T. 3,000,000.

3. Particulars of the quantity and nature of the machinery to be imported are left to be settled later. I do not think it necessary to trouble your Lordship with any other details of the contract, except one, which is sufficiently curious, having regard to the strong desire of the present Turkish Government to impose Turkish nationality on all important concerns working in this country. It is provided that, unless 40 per cent. of the shares of the special company to be formed to carry out the contract are taken up by Turkish subjects, this company shall be of United States nationality.

4. The Minister of Economic Affairs may be acquitted of the charge of having received a bribe of £ T. 70,000 for putting this arrangement through, as there is no reason to suppose that the Chester group could or would invest so large a sum in the purchase of a Minister for the sake of an agreement with so doubtful a future; but it is difficult to resist the suspicion that he or his advisers have the promise of some eventual interest in the business as a reward for having tied the Government to guarantee gross receipts of £ T. 400,000 (a variant on the old familiar kilometric guarantee for railways, with hardly any of its justification) for six years.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

[E 3590/199/44] No. 33.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 9.)

(No. 203.)
My Lord, *Constantinople, April 3, 1923.*

WITH reference to my telegram No. 216 of the 2nd April and previous correspondence relative to political developments at Angora, I think it will be of interest to place on record a more detailed account of the events of the last week.

2. The Ali Shukri incident undoubtedly did much to precipitate a situation which has been brewing for some time past. This gentleman, whose family came from Trebizond, was formerly a naval officer and earned some reputation as a patriot after 1908 by his activity in connection with the "Fleet Committee" and the development of the navy and ancillary transport services. He served during the war, but was retired after the armistice and appears then to have devoted himself to politics. At Angora he became identified with the Opposition Party, known as the Second Group, and started in January last the "Tan" newspaper, which, while vying with other organs in strident patriotism and anti-Allied, including anti-British, propaganda, has attacked the Kemalist Government strongly on questions of domestic policy. It took a particularly active part in the campaign in favour of the Law on Personal Liberty, which was passed some weeks ago by the Assembly, but which continues to be a bone of contention, as the Government has made several attempts to have it modified.

3. On the 27th March Ali Shukri suddenly disappeared. His friends raised an outcry in the Assembly on the 29th March. The Government deprecated any hasty assumption that he was dead or that, if so, he had been the victim of a political crime, but promised that everything possible would be done to elucidate the matter. To complete the story, suspicion at once attached to the notorious Laz chieftain, Osman Agha, who had apparently invited or summoned Ali Shukri to his house on the evening of his disappearance, and the corpse of Ali Shukri was discovered on the 1st April by following the simple clue of a cart-track from Osman's house in the country, near Angora, to a place a short distance away. Certain associates of Osman, had

already been arrested before the corpse was found, but it was announced that Osman himself had fled. This proves to have been untrue. He was ascertained to be hiding in his own property. Gendarmes and troops were sent to arrest him. A stiff fight ensued on the morning of the 2nd April. Osman was killed, his band sustained several casualties, and the attacking party lost at least one man dead.

4. Osman Agha's name is already familiar to your Lordship. A man of humble origin, but some personality, he established himself as a sort of petty tyrant at Kerassund early in the armistice period. He and his Laz band were the terror of the Christian inhabitants. He professed devotion to the national cause, and was of sufficient importance to be left undisturbed in his position as a band leader when the Angora Government set itself to supersede the loose band organisation of the earlier days of the national movement by a regular army. His position was regularised by making him an honorary lieutenant-colonel, but he was allowed great freedom, and operated as a kind of condottiere with a wide radius of action. During the last couple of years he has been on the confines of the Caucasus and in the nearer parts of Kurdistan. He recently visited Constantinople, and was reported to be active in Thrace, but he seems to have gone recently to Angora. He had amassed considerable wealth in the course of his adventures, and had acquired a property not far from the capital, apparently in the same neighbourhood in which Mustafa Kemal resides. In the eyes of the Christians of this country, he was the incarnation of barbarous cruelty and fanaticism. For the Turks, and more particularly the Lazes, he had become a sort of national hero.

5. There is no reason to suspect Mustafa Kemal or any responsible statesman at Angora of complicity in the murder of Ali Shukri. It is pretty clear that it was primarily the result of a Laz vendetta. It is closely connected with an episode at Trebizond last year, when one Yahya, the head of the Guild of Caikdjis, and two other persons were murdered some little way out of the town. The facts of that incident were never elucidated, but it had a political background connected with a nascent anti-Kemalist movement and a scandal in the local Defence of Rights organisation. The Government was violently criticised for its failure to see justice done, and Ali Shukri was one of the critics. Thus the whole story is mixed up with politics, and, if Mustafa Kemal and the Government may be acquitted of direct responsibility for the murder of Ali Shukri, they cannot escape responsibility for the indirect consequences of having tolerated for their own purposes a ruffian like Osman Agha. They have now sought to protect themselves by energetic action, and have subscribed as enthusiastically as the Opposition to the doctrine that such a murder is an outrage on the sovereign people in the person of one of its representatives. They are probably secretly pleased to be rid of Osman, who has served his turn and might have become an embarrassment. Two birds have, in fact, been killed with one stone, and Mustafa Kemal and his friends have the satisfaction of not even having had to throw it.

6. This mediæval episode has provided the setting for a political crisis of the most up-to-date type. The already more than simmering opposition boiled over as a result of it. Mustafa Kemal and his party, with characteristic resolution, decided to turn the situation to their own account. The Defence of Rights Association decided on the morning of the 1st April to move in the Assembly that new elections should be held within a maximum period of two months. That afternoon a group of 120 Deputies laid the motion before the Assembly, and proposed a short draft law annulling the special provision that the present Grand National Assembly should continue to sit until the realisation of the national aims. Immediately after the motion had been laid, Ismet Pasha spoke in support of it. He began by explaining the tenor of the Allied note which had been received the evening before. He took the line that the note provided a basis of further discussion with the Allies, but that the result of such discussion must be uncertain. The Government should therefore, on the one hand, continue its efforts to bring about peace on the basis laid down and in virtue of the authority conferred on it by the Assembly on the 6th March, while, on the other hand, new elections should be held in order that a definite and up-to-date expression of the national will should be given. This amounted to saying that the Government relied on the decision on the 6th March as justifying it in dealing with the Allied note, but that a new Assembly would have to decide the final issue between peace or war.

7. Ismet Pasha was reproached by certain Opposition Deputies with having opposed a proposal to hold new elections when it was put forward by them some weeks ago. The motion was, however, unanimously accepted in principle, and the Assembly proceeded to consider the details of the draft law. The Opposition took exception to the wording of the material article abrogating the existing special provision regarding

the life of the present Assembly, but the drift of their objection is not clear from the reports so far published here. Anyhow, the law was accepted as drafted by the authors of the motion. It was also agreed to put in hand at once certain modifications of the present electoral law of July 1908. A proposal that no member of the present Assembly should present himself for re-election was rejected. Later in the day instructions were issued to all provincial authorities to proceed with the preliminary steps for the elections on the basis of the law of 1908.

8. Stress is laid on the fact that the present Assembly is to continue to exercise all its functions until the new Assembly is elected. All parties unite in representing the Assembly as having risen to a great height of patriotism, and having shown by its unanimity that an united Turkey stands four-square to the world. It is significant that Mustafa Kemal did not intervene in the debate until after the decision had been taken, when he rose to congratulate the Assembly on its decision, to affirm the sovereignty of the people, and to declare (somewhat gratuitously unless he were accused) that "there is not, and cannot be, monarch or dictator in the Turkish world." On at least one previous occasion when he has had to meet trouble half way he has resorted to this same device of speaking after the Assembly had pronounced itself.

9. It is not easy at this distance to appreciate the full significance of this sensational development. The following is a very tentative attempt to estimate the motives and intentions of the contesting parties:

Mustafa Kemal and his closest supporters are eager for peace, though they are unwilling and perhaps afraid to conclude it unless they can extract some further concessions from the Allies. They are determined that Ismet Pasha shall go to Lausanne as soon as possible. Having committed the Assembly on the 6th March to give them a fairly free hand, they wish now to keep the Assembly out of the peace negotiations as much as possible. They have, however, irreconcilable elements in the Assembly to deal with, and no longer command a majority for all purposes. They therefore wish to convert the present Assembly into a sort of current business assembly only for the next few weeks. They are prepared to stake a great deal on their chances in the new elections. The Opposition has grown too powerful to be stifled or ignored, but Mustafa Kemal probably thinks he has a better grip of the country. In his recent tours he has made a strong bid for the agricultural vote. The Economic Congress at Smyrna was very largely composed of agricultural delegates. Kiazim Karabekir, who presided over it, appears to be a supporter of Mustafa Kemal, despite the legend to the contrary which has grown around his name. These delegates have doubtless by now carried Kemalist propaganda to districts not tapped by Mustafa Kemal himself. The machinery of government is also largely under Kemalist control, nor has the pasha yet despaired of attaching to himself a section of the old Union and Progress Organisation. In Constantinople, a potential stronghold of the Opposition, owing to the freedom of action enjoyed by recalcitrant members of the old Committee of Union and Progress and the prevalence of discontent among ex-officials and dejected traders, strenuous efforts have been made to fortify the "Defence of Rights" organisation. Mustafa Kemal knows that he is in for a struggle, but he may well hope that by engaging in it now he will emerge a dictator.

10. The Opposition, consisting largely of faithful adherents of the old committee, think they are superior to the Kemalists in power of organisation. As they have not the making of peace in their hands, they can for the present shout "The National Pact and nothing but the National Pact!" louder than Mustafa Kemal himself. They rely for success at the polls on discontent and on the support of Conservative elements such as those who wish to see power restored to the throne, to see Constantinople retained as the capital, to see more real respect shown towards Islamic institutions and to see woman kept in her place.

11. There is no such thing as a free election in this country, but I think that on this occasion there will be a more genuine struggle between contending principles and the politicians who stand for them than in any election since 1908. It is a little disconcerting that the Allies should have to go into conference with the knowledge that anything that they may be agreed to will have to be referred to a new Assembly. The present Assembly has, however, become so uncertain a quantity that I do not think we have much to lose by any change; and if, as at present seems probable, Mustafa Kemal succeeds in bringing together a new Assembly committed to his programme, I think that the chance of peace will be affected favourably rather than otherwise. We shall, however, have much trouble at the conference, for Mustafa Kemal and Ismet Pasha are only moderates in a comparative sense.

12. I enclose an extract from the "Journal d'Orient" of the 3rd April,* which gives an interesting but incomplete account of the debate of the 2nd April, including the speeches of Ismet and Mustafa Kemal Pashas. As soon as I receive particulars of any changes in the Electoral Law I shall hope to report on the constitutional aspects of the present situation which are not without interest.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

[E 3595 6 44]

No. 34.

Sir A. Young to the Marquess Curzon of Kedleston.—(Received April 9.)

(No. 133. Secret.)

My Lord, *Belgrade, April 5, 1923.*

I HAVE had the honour to receive your telegram No. 43 of the 3rd April instructing me to endeavour to ascertain by such discreet methods as are available to me what amount of truth there may be in the reports contained in Constantinople telegram No. 215 of the 2nd April respecting the overtures of the dragoman of the Serbian delegation to Refet Pasha.

I fear that I have exhausted my possibilities of enquiry into the alleged Serbo-Turkish negotiations, and that I see no prospect of obtaining further light by any available method on such a startling reversal of this Government's avowed policy of peace as is implied by the programme attributed by the dragoman to M. Pasic.

To begin with, the dragoman's statement with regard to the number and attitude towards the present Government of the Moslem Deputies is highly inaccurate. Your Lordship will have learnt from my despatch No. 126 of the 29th March that of the thirty-one Moslem Deputies elected thirteen only are supporters of M. Pasic's Government. These are the "Djemiyet" of Turks from Southern Serbia. Before the elections they agreed that, though retaining their separate lists, they would support the Radical Government. I have since heard rumours from Skoplje that this support is not altogether assured. The other Moslem Deputies, eighteen in number, are from Bosnia, and have Dr. Spaho as their leader, who has been in bitter opposition to M. Pasic for the last nine months. Dr. Spaho demands autonomy for Bosnia, and has joined with the Croatians and Slovenians in forming the so-called Federalist *bloc*, which is creating such concern in Government circles.

That the factor of the numerous Moslem population of this country must have eventually some influence on its policy towards the Near East question I have constantly brought to your notice; but that it should successfully influence the Government towards encouraging the Turks to proceed westwards and into closer geographical propinquity with this kingdom has never entered my thoughts, and the dismay with which this Government learnt of the resolution of the Allies to admit the Turks as far as the Maritza would exclude such an hypothesis. The one keynote to the persistence with which the Serbs have turned a deaf ear to the Greek requests for a definition of their attitude in the event of a resumption of hostilities has been the fear that the Greeks might be encouraged to brave the Turks again, and suffer a defeat which would lead to the advance of the latter.

The dragoman's language implies the willingness of Serbia to participate in a war with Greece and to share the spoils with Turkey and Bulgaria. This might be a conceivable policy had there been no European war, but Serbia relies so much on the status guaranteed by the treaties of peace that she could scarcely be to herself so untrue as to break with the ties which support that structure.

Moreover, not only would she break with the greater Allies—as at present hanged together—but any such adventure would be very displeasing to one member of the Little *Entente*, Roumania, who is also perturbed at the rumour of these negotiations—and would hardly be encouraged by the other.

It cannot be denied that this opportunity—the last that may occur for a generation—of extending her dominion to the Ægean Sea must be tempting to Serbia, though the price of adding another potentially hostile frontier State to the seven she already has to preoccupy her would be a heavy one.

* Not printed

There is the possibility that by taking possession of Salonica Serbia would not be breaking with all the greater Allies, and that France or Italy, or both, are conniving at such an enterprise.

It is, however, scarcely for me to discuss general considerations, which must be clearer to your Lordship than to myself. I can only usefully indicate my personal impressions of the local political atmosphere. All that I have gleaned from conversations with people in office has been reported to you.

The attention of the country is taken up with the grave internal crisis in the relations of Serbia proper with the new provinces, and all M. Pasic's strength, astuteness and experience must be concentrated on this one question. That such moments are traditionally ones in which a Government may seek to distract the attention of the people to foreign adventure is true, but scarcely in the case of a war-weary people in a gravely embarrassed financial condition.

Dr. Spaho calls for the autonomy of Bosnia in order that more attention should be paid to the culture and welfare of the Mussulman population. His Majesty's consul at Sarajevo has reported pretty fully on the political conditions in Bosnia. There has been much evidence of pro-Turkish and anti-English propaganda, but I have never heard of a call to the Government to take sides for the Turks as against the Greeks. After the elections the "Jugoslovenski List" said: "The Moslem Ministers, Omerovic and Seric, have called on the Prime Minister to complain that Dr. Spaho's agents, for purposes of propaganda, distributed two days before the elections photos of Mustafa Kemal, thus damaging the prospects of the Jugoslav Moslem National Organisation (the Magljajic)." At the elections Dr. Spaho received 110,500 votes with eighteen seats, while the Magljajic Moslems, the supporters of M. Pasic, received only 9,600 votes with no seats.

Dr. Spaho, in a recent article in the "Politika," lays stress on the fact that the recent elections had brought clearness into the political situation. "By these elections," he says, "the Jugoslav electorate had taken up its position in regard to the constitution and the structure of the States. In all the freed provinces, except the Voivodina, have those parties which desire a revision of the Constitution secured a great victory. This almost unanimous manifestation has its cause in the constant unfairness maintained in the Administration and in the incapacity of the centralised State organisation to conduct the work of administration successfully in all the provinces. . . . Perhaps Pasic can still succeed in setting up a majority in Parliament, but it can scarcely be of a kind which would enable the fact to be kept hidden from the people that in our State the Serbs alone rule"—and so on.

I introduce this passage to show how unfounded it would be to think that the Moslem party of Bosnia would be conciliated by the acquisition of Salonica, a port serving only Serbia, and the territorial aggrandisement of Turkey. There is no indication of such a cry, though doubtless Moslem feeling would be hostile to any participation of the Jugoslav army for the purpose of actually hindering the aggrandisement of Turkey at the expense of Greece.

The thirteen Turkish Deputies from South Serbia who are counted on to support M. Pasic may have different views from those of Bosnia, and would doubtless be pleased at a geographical propinquity with Turkey. I have asked His Majesty's vice-consul at Skoplje to report on the attitude locally attributed to that party.

On the other hand, the papers reported yesterday that the Bosnian Mussulmans had desired to send a deputation to Constantinople to pay homage to the new Caliph.

The matter was considered by a Ministerial Council, and it was decided that there was no objection and that State credits would be afforded for the expenses. The "Politika" to-day says that this delegation was originally to have been composed of three muftis—those of Belgrade, Sarajevo and South Serbia respectively. Dr. Spaho, however, desires that the Reis-ul-Ulema of Sarajevo should proceed himself to Constantinople. The journal adds: "It is evident that Dr. Spaho is seeking to create a political incident *à propos* of a purely religious question."

I do not know whether it can have any significance, but M. Nincic has been very anxious for the Spanish Minister here to take charge of Turkish interests, since no one has charge of them. The ostensible reason was that certificates of health were required for Serbian cattle exported to Turkey. The Spanish Minister refused; among his reasons, so he told me, was that, as this Government never solved any of his cases, he did not see why he should do anything to oblige them.

It was mentioned in a newspaper a few days ago that a certain Baffy Bey would be appointed Turkish Minister at Belgrade, and the paper approved of the appointment.

The "Vreme," which is a paper of some importance and which has been consistently advocating the policy of "amputation," that is to say, a policy which some people say M. Pasic personally would not be adverse from following, by which the Serbians would voluntarily cut off Croatia and Slovenia from the Jugoslav State rather than accept federalism, has an article to-day called "The East and the West":

> "Serbia has been trying to free herself from the East and to follow the path of the West. That was a mistake, because in that direction she meets the black priests, the enemies of the light and intriguers who breathe mysterious and malevolent counsels to the adepts who come to confessional. Their confessional constitutes a terrible danger for the Serbs, who, gifted with an upright and frank temperament, cannot struggle against enemies armed in this fashion. The moral is—we should retrace our steps and remain in the refulgent East."

To turn to the second paragraph of Sir H. Rumbold's telegram. I do not know what is meant by the pressing appeals of Greece which appear to necessitate immediate decisions. The Greek Minister here told me this morning that he had not seen M. Nincic since the elections. His conversations with M. Gavrilovic, the Assistant Minister for Foreign Affairs, were quite satisfactory, and he was much more reassured than when he spoke to me some time ago. M Gavrilovic had promised to give him copies of the Nish Agreements, and he had stated most positively that the question of the Bulgarian access to the Ægean Sea was in exactly the same position as it had been left in at Lausanne. M. Mavroudis had given some information yesterday to M. Gavrilovic, and both of them agreed that the Turks and Bulgarians were collaborating together in Thrace. Moreover, the Greek legation at Sofia had got over the panic into which the exaggerated rumours of the Bulgarian concessions at Nish had thrown it. It does not even seem clear whether the very modified form in which, as I reported in a previous despatch, the passage of Serbian troops along mountain paths where no station of entry existed into Bulgarian sections of the same path was actually adopted. In any case, M. Mavroudis thought that the importance of the Nish meeting had been exaggerated by the Serbs in order to influence the Greeks in the Salonica negotiations. Obviously if the Serbs desired to create this impression on the Greeks they would be chary about giving assurances to a third party, who might give away the bluff to the Greeks—which usually happens.

As regards the Salonica negotiations, M. Mavroudis admitted that the Serbian and Greek points of view were very divergent. The expression in article 1 of the Serbian project, "au point de vue économique-politique" (the ceded zone would be considered Serb), had affronted the Greek Commission. (This draft convention does not seem to differ much in principle from the Serbian draft convention in 1914, of which a copy was enclosed in my despatch No. 520 of the 6th December last.) The Serbian answer to the Greek counter-project had been despatched yesterday. The Serbs had made some concessions, but M. Mavroudis did not speak very hopefully. He had, however, no reason to fear that the Serbs were negotiating with the Turks to the detriment of the Greeks. He had now ascertained that the Monastir Deputy, whom he this time named Kirkovic (see my despatch No. 70), had not gone to Angora. He was sure that, in view of the gravity of the internal situation in Jugoslavia, M. Pasic could not be contemplating any other policy than that of peace and reconstruction, the cultivation of good relations with his neighbours, and the maintenance of the ties with the Great Powers and the Little *Entente*.

As regards the Nish negotiations, the second part of the document annexed to Sofia despatch No. 66 of the 27th March corresponds closely with what M Nincic told me, as reported in my despatch No. 127 of the 29th March, and with the impressions I have gathered elsewhere, namely, first, that, in the interests of M. Stamboliisky's personal security and the efficacy of the measures, the details of the agreement should be kept secret, and, secondly, that the Serbs should take quite independently their own measures for the protection of the frontier.

I should have added in that despatch that I touched with M. Nincic on the subject of Turkey and the peace negotiations, but he spoke so decidedly to the effect that the Turks were not to be trusted that I saw no chance of eliciting any hint about a desire on the part of the Serbs to conciliate them.

I have, &c.
ALBAN YOUNG.

[C 6408/58/7] No. 35.

M. Stanciof to Mr. Lampson.—(Received April 9.)

Dear Mr. Lampson, *Bulgarian Legation, London, April 7, 1923.*

FOLLOWING our last conversation at the Foreign Office, I beg to send you, as you requested, a confidential memorandum of the last phases of the question of the Bulgarian outlet to the Ægean Sea.

Yours very sincerely,
STANCIOF

Enclosure in No. 35.

Memorandum on the Question of a Bulgarian Outlet to the Ægean Sea.

(Confidential.)

ON the 28th March last it was brought to my knowledge that a conversation had taken place in London between M. Veniselos, Mr. Harold Spender and Sir Edward Boyle.

I was told that this conversation had a strictly semi-official character. The three interlocutors had discussed the best way of improving relations between Greece and Bulgaria, and had given particular attention to the question of the outlet for Bulgaria to the Ægean Sea.

Always semi-officially, I was informed that M. Veniselos had expressed the wish to arrive at a friendly settlement of the problems that are, at the present moment, preventing good relations between Greece and Bulgaria, and that M. Veniselos had spoken as following:—

In opening the conversation he had emphasised the fact that he was not plenipotentiary, that he could not bind his Government and that he was acting on his own personal impulse. He added that he was prepared to go to Athens to submit and recommend the following proposals to the Greek Government:—

1. That an area sufficiently large on which to build a port between Makri and Dedeagatch should be granted to Bulgaria. This area to be Bulgarian freehold. With regard to the number of kilometres given in article 1 of the convention proposed by the sub-commission on the 26th January at Lausanne, M. Veniselos said that this question could be settled between Bulgaria and Greece.

2. That the corridor between Bulgaria and this freehold area should be placed under League of Nations administration, the mandate to be held by some Power agreeable alike to the Greek and Bulgarian Governments. In this case, the administration of the corridor would no longer be in Greek hands.

M. Veniselos is said to have authorised his interlocutors to communicate this statement to the Bulgarian Minister in London, adding that he would like to have an answer from the Bulgarian Government on both points.

Bearing in mind that their Excellencies the first delegates of the inviting Powers to the Lausanne Conference had more than once advised the Bulgarian delegation to settle this question direct with Greece, I have now submitted to my Government, semi-officially, the particulars of the aforesaid conversation between M. Veniselos and his friends.

With regard to this same conversation, I have also been informed that M. Veniselos had made the aforesaid semi-official proposals in view of reaching a satisfactory settlement of the problem that is obscuring the relations between Bulgaria and Greece; but that M. Veniselos had also mentioned the fact that, in his opinion, Salonica would provide the most convenient outlet for Bulgaria on the Ægean Sea.

On the other hand, M. Veniselos had also alluded to the fact that an exchange of territory between Bulgaria and Greece might be contemplated in the future, as it would have the results-

1. Of enlarging the strip leading from the present Bulgarian frontier to the sea; and
2. Of contributing to more friendly relations between both countries.

However, my interlocutor added that M. Veniselos had insisted that these two points (1. Salonica: 2. Exchange of territory) had nothing whatever in common with his proposal with regard to the freehold between Dedeagatch and Makri.

Having been informed of the above, I considered it my duty to communicate a summary of the conversation, verbally and semi-officially, to the Foreign Office, and, on the request of Mr. Lampson, I now have the honour of summarising it in this confidential note as *relata refero*

STANCIOF.

No. 36.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 9.)

(No. 225.)
(Telegraphic.) R. *Constantinople, April 8, 1923.*

MY telegram No. 216.

My immediately following telegram gives slightly condensed translation of Turkish reply delivered by Adnan this afternoon. His covering note states that Turkish Government will publish text to-morrow, 9th April. While expressing an appreciation of generally conciliatory tone of note, I made three observations when he handed it to me. First, I said that while some of the suggested modifications proposed by Turks in territorial clauses were of minor importance, others did appear to involve substantial changes, *e.g.*, proposal regarding Castellorizo. Secondly, I had myself made it perfectly clear within a few days of my return to Constantinople that nothing which had passed after you left Lausanne bound the Allies as a whole, and that we were therefore in no way committed by Montagna formula. Adnan had to admit that I left no room for doubt on this subject, and said he had informed Angora at the time. Thirdly, I said that similar considerations applied to anything that had passed regarding proposal to detach economic clauses. Adnan leaves for Angora to-morrow.

No. 37.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 9.)

(No. 226.)
(Telegraphic.) R. *Constantinople, April 8, 1923.*

FOLLOWING is translation referred to in my immediately preceding telegram :—

Government of Grand National Assembly have received reply of British, French, Italian and Japanese Governments to its note of 8th March.

Without wishing to provoke controversy as to whether Turkish counter-proposals really tend, as Allied Governments suppose, to reopen questions which they considered settled by Turkish delegation's letter of 4th February, my Government notes with satisfaction declaration of inviting Powers that they are prepared to discuss points raised in Turkish note of 8th March and annexed counter-proposals. It considers counter-proposals do not contain any substantial modification of territorial clauses or any other modification of them which has not been or cannot be fairly accepted by Allied Powers.

Turkish Government particularly desire to express satisfaction regarding consent of Powers to redraft convention on *établissement* with object of securing to Turkey enjoyment of reciprocity. It cannot but believe that acting in the same just spirit, they will consider equally favourably other just observations made by Turkey regarding this convention.

Turkish Government cannot conceal its surprise that inviting Powers, by promising to exert themselves to reconcile Turkish counter-draft declaration regarding administration of justice in Turkey with Allied draft, should have displayed tendency to reopen discussion of an important question which it was entitled to consider already settled in agreement with Allied Powers concerned. Indeed, text inserted in Turkish counter-proposals is not, properly speaking, a Turkish draft. It is, on the contrary, result of utmost joint efforts of delegates acting on behalf of Allied and of Turkish delegations to harmonise respective drafts of both contracting parties; all the more as this arrangement known as "Montagna formula" was several times confirmed in the course of both oral and written suggestions of Allied Powers subsequent to 4th February.

As regards economic clauses, Turkish delegation was convinced that by proposing to detach them from treaty while continuing negotiations regarding them, it was expediting conclusion of peace desired by all nations. After departure from Lausanne, suggestions and communications, both oral and written, of Allied Powers apprised us of acceptance of this proposal. It may well be feared that action of Allies in again going back on acceptance already given and asking that economic clauses be discussed at the same time as treaty may render peace more difficult or delay conclusion.

Nevertheless, Turkey duly appreciating wish expressed by Allied Powers for favourable settlement of pending economic questions, does not object to discuss questions which can properly form subject of international negotiation. She has invited holders of concessions formerly granted by Turkey to enter into direct negotiations as Allies themselves proposed, and equitable arrangements have already been made with two of them.

Subscribing to hopes and wishes of inviting Powers for success of conference to be resumed at Lausanne and complying with wish expressed by them for earliest possible departure of Turkey representative, Government of Grand National Assembly informs British, French, Italian and Japanese Governments that it will send plenipotentiaries thither in time to start negotiations with those of other contracting parties on 23rd April.

No. 38.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 9.)

(No. 228.)
(Telegraphic.) *Constantinople, April 9, 1923.*

MY telegram No. 218.

Following from Bierout :—

"Chief of staff confirms move. He explains it as being due to desire of Turks either to gain more space for troops now crowded or to have troops nearer to Angora in view of elections."

No. 39.

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington).

(No. 123.)
(Telegraphic.) *Foreign Office, April 9, 1923.*

MY despatch No. 468 of 23rd March : United States Government and resumed Lausanne Conference.

Mr. Post Wheeler, calling on Sir William Tyrrell on 5th April on behalf of United States Ambassador, reverted to Mr. Harvey's conversation with me, and read out last paragraph of a telegram from the State Department, expressing surprise at the publication of the decisions of the Allied Powers without previous communication with the United States Government in spite of the United States Government's association with the Lausanne negotiations. The Ambassador had no instructions to make this communication, but thought that I should be interested.

Were such a communication made it would, of course, be easy to answer It was France, Great Britain and Italy who sent invitations to original Lausanne Conference, who conducted prior correspondence with Turkish Government and directed all the negotiations. United States Government have no intention of signing the treaty or annexed conventions. Their representatives took no active part in the discussions and were not helpful outside the conference room. They have no established pre-war interests in Turkey, apart from the missionary interests, to defend, and in their desire to obtain new economic concessions are showing a tendency to thwart established Allied companies with pre-war concessions from obtaining their maintenance readaptation and compensation for war damages. Fresh negotiations at Lausanne will be confined to strictly limited number of outstanding points, and Turkish Government addressed their counter-proposals solely to the three inviting

Governments. It was entirely for the latter to decide therefore what answer to return and when, where, and on what conditions to resume negotiations.

For these reasons I am suggesting to the French Government that French Secretary-General of Conference, in notifying to various Powers of resumption of conference, should send no communication to United States Government, leaving initiative entirely to the latter. If United States Government addressed the Powers, decision can be taken jointly later as to reply.

As United States Ambassador does not appear always to report my remarks, you may consider whether in the light of the foregoing it would be judicious for you to drop some hint to the State Department of our attitude and reasons for it, as explained in conversation recorded in my despatch No. 468. On the other hand it may possibly in your opinion be better to remain silent and force State Department to address us officially.

Please let me have your views in any case on whole question

(Repeated to Constantinople, No. 112.)

No. 40.

The Marquess Curzon of Kedleston to Mr. Phipps (Paris).

(No. 164.)

(Telegraphic.) D. *Foreign Office, April 9, 1923.*

QUESTION of the Powers to whom invitations to participate in resumed negotiations at Lausanne should be extended was not discussed during recent Allied meeting in London. My own view is that, since the present negotiations are confined to a strictly limited number of points, only the three inviting Powers, Japan, Greece and Turkey, should be asked by M. Massigli, as Secretary-General of the Conference, to send representatives to Lausanne on a date to be fixed as soon as the Turkish reply to the last Allied note is given. On the other hand, Roumania and Jugoslavia are interested in some of the financial and economic questions, and in the convention for the régime for foreigners. They were invited as full participants in the original Lausanne Conference, and their representatives have been helpful. They will also be eventually required to sign all parts of the treaty. If, therefore, the French Government think they should be invited too, I would not raise any objection. Since the Straits Convention is settled, and since only one point in the Thracian Frontiers Convention which concerns really only Greece and Turkey is outstanding, there is no need to invite Bulgarian representatives, except to sign these two conventions at the close of the resumed negotiations.

Nor does there seem any necessity to invite Belgian representatives, since their main interest is now centred in the private negotiations to be opened by pre-war concessionnaires direct with the Turkish Government. Similarly, there will be no advantage in asking the various neutral Powers interested in the Capitulations again to send delegates to Lausanne. The inviting Powers will be able to defend their interests so far as this is still practicable and probably better than if they were present.

There remains the question of the United States. While the United States Government raised objections at the last moment to some of the economic clauses of the treaty, they possess no established economic interests in Turkey and are perfectly free to make a treaty with Turkey on terms equally as good as those of the Allies' treaty, as regards the future. In any case, they do not intend to sign the present treaty, and they have taken no active part in the past discussions. Subject to any views which M. Poincaré may entertain on the matter, I am disposed, therefore, to consider that M. Massigli should send no invitation to Washington, but that the inviting Powers should await an initiative from the United States Government, when they can consider what reply should be returned.

Please make a communication in the above sense to the French Government, adding that I feel sure that they will share my view that the more the resumed discussions can be confined to the representatives of the three inviting Powers, Japan and Turkey, and, on a few essential questions, to Greece, the better chance there is of a speedy and successful result.

(Repeated to Rome, No. 85, and Constantinople, No. 114.)

No. 41.

The Marquess Curzon of Kedleston to Mr. Phipps (Paris).

(No. 165.)

(Telegraphic.) D. *Foreign Office, April 9, 1923.*

YOUR despatch No. 857 of 5th April: Lausanne Conference.

Please inform the French Government that I agree as regards points 2 and 4 (Bulgaria and Russia), but ask them to reconsider points 1 and 3 in the light of the observations in my telegram No. 164, and let me have their views.

(Repeated to Constantinople, No. 115, and Rome, No. 86.)

[E 3635/1/44] No. 42.

Admiralty to Foreign Office.—(Received April 10.)

Sir, *Admiralty, April 9, 1923.*

WITH reference to your letter of the 29th March regarding the Turkish counter-proposals to the Lausanne Treaty of Peace, I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the Secretary of State for Foreign Affairs, that the only Turkish vessels seized by the British naval authorities after the 30th October, 1918, and not already returned to their owners, are two armed motor-launches, which have been retained for the patrol of the Bosphorus, and two small motor-boats, which have been retained for the service of the fleet and the base at Constantinople. All these four vessels belong to the Turkish Government. In addition, the tug "Boulair" has been seized and condemned as prize. No record can be traced of any Turkish vessels (other than the "Boulair") seized after the 30th October, 1918, being made the subject of prize proceedings. The following are the particulars regarding this tug:

"Boulair" was the property of the Military Transport Department of the Ottoman Ministry of War. At the end of January 1920 evidence was obtained by the Commander-in-chief, Mediterranean, that this tug was assisting in the transport of arms and munitions from the European side of the Dardanelles and Marmora to the Asiatic side. In particular it was ascertained that she was employed towing caiques to Burgaz loaded with munitions which had been seized during the raid on the Akbash depot. She was accordingly seized by H.M.S. "Stuart" in February 1920 at Kara Bigha. Prize court proceedings were instituted on the ground that "Boulair" was being used in contravention of the armistice terms, and the vessel and her cargo were condemned as prize on the 9th November, 1921.

The sums of 132*l.* and 82*l.* 1*s.* 9*d.*, being the net proceeds of sale of the vessel and cargo respectively, were transmitted to this country and deposited with the Admiralty Marshal. This sum will, in due course, be payable into the prize fund, subject to the deduction of any further expenses which may have arisen in the cause.

2. As regards pp. 18 and 19 of the report of the general committee which accompanied your letter of the 29th March, I am to point out that in their Lordships' opinion naval war material is in a different category from military war material. This difference arises from the terms of the Mudros armistice, article 20 of which would not appear to apply to naval war material. This is the article quoted in Lord Curzon's note of the 24th January, 1923, to General Ismet Pasha, in which he stated that the material surrendered under that article was completely at the disposal of the Allies to do as they liked with. Under the Mudros armistice the Turkish warships were surrendered to the Allies for internment at Turkish ports, and in the absence of a special provision regarding naval war material in the Mudros armistice, it would appear that naval war material, like the warships from which some of this material at least has been removed, is in the custody of the Allies, but does not belong to them until or unless it is decided in the peace treaty that the possession of and property in naval war material remains with the Allies. So far as the Admiralty is concerned, if (as appears to be the case) the intention is to hand back the warships to Turkey, it is only equitable that available equipment should also be handed back. For the reasons given in Admiralty letter of the 24th March, 1923, we should not be made responsible for returning more than the actual Turkish naval war material at present available.

3. In short it does not appear to their Lordships worth while retaining naval war material if the warships are restored to the Turks; friction would be caused by such an attitude, and a Turkish claim to the equipment of the ships restored to them and to the available reserves of munitions for their fleet would be regarded as just from the naval point of view, under which a ship of war is regarded not as a hulk but as an instrument dependent on a full equipment actually on board and also on a reserve outfit.

4. If naval war material is however to be retained by the Allies, my Lords would point out that the Allied Governments already agreed that the naval war material in Turkey shall be divided in the following proportions, viz.:—

Great Britain	...	...	...	70	per cent.
France	...	...	..	11	,,
Italy	...	...	...	11	,,
Japan	...	...	...	8	,,

This decision was given by the Council of Ambassadors on the 16th September, 1920, in anticipation of the ratification of the Treaty of Sèvres under which naval war material was definitely to be surrendered by the Allies (article 187); this old decision is mentioned, as some of the Allied representatives at Lausanne may refer to it. If the intention is that the Allies should agree (as in the case of the other peace treaties) to break up the naval war material in the ex-enemy country, my Lords would also point out that such a procedure raised administrative difficulties in Turkey, as the Turks refuse to have any Naval Inter-Allied Commission of Control. Apart from a few items of interest from a naval professional point of view, it is doubtful whether the removal of Turkish naval war material in bulk would be worth undertaking. Its removal would in any event rouse bitter Turkish animosity at the difficult period of evacuation in all probability, and add to the possible difficulties of the naval Commander-in-chief. Any statement at Lausanne that it was contemplated by the Allies to destroy or withdraw the naval war material would, it is thought, also be likely to cause friction.

I am, &c.

ALEX. FLINT.

No. 43.

Mr. Hohler to the Marquess Curzon of Kedleston.—(Received April 10.)

(No. 53.)
(Telegraphic.) *Budapest, April 9, 1923.*

I HAVE just received in print Sir H. Rumbold's telegram No. 215.

No importance whatever is to be attached to Friedrich's attempted journey to Angora. He represents no one but himself, and he is a mere adventurer, who has been seeking to advertise himself. Hungarian Government were much annoyed by his journey, which, however, they were unable to prevent.

Minister for Foreign Affairs told me the other day that Hungarian Government are anxious to resume diplomatic relations with Turkey, as they wish to resume commerce in that country, which used to be one of their chief markets.

I have been unable to obtain confirmation of any Hungarian agent being at Angora, and should be very glad to receive any information on this subject.

No. 44.

Sir A. Geddes to the Marquess Curzon of Kedleston. (Received April 10.)

(No. 181.)
(Telegraphic.) R. *Washington, April 9, 1923.*

MY telegram No. 173.

"New York World" reports that Dr. Ibrahim Fuad Bey, member of National Assembly, on arrival in New York, 7th April, stated that Chester Concession had been favourably reported on both by Financial and Public Utility Committees, and would now go before Grand Assembly as a Government, not a private, measure. This

is taken as indication that concession will go through. He also contrasted American co-operation, such as Chester project, which was simply commercial, with other foreign co-operation "coupled with foreign political domination," of which, he said, Turkey had already had enough. In conclusion, he expressed great appreciation of American educational enterprise in Turkey, and characterised America as "Turkey's best ally and best hope, both economically and politically."

No. 45.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 10.)

(No. 231.)
(Telegraphic.) *Constantinople, April 10, 1923*

YOUR telegram No. 123 to Washington, and your telegram No. 113.

I consider United States Government have no legitimate ground for complaint at publication of decisions of Allied Powers without previous communication with them. Their interventions during Lausanne Conference were "ineffective," whilst it was often difficult to understand meaning of statements which their observers made from time to time in conference. Their attendance at renewed conference will probably be valueless to Allies from a practical point of view. On the other hand, it seems difficult for following reasons to avoid inviting them to attend:—

1. If we hold the view that resumed discussions at Lausanne are continuation of Lausanne Conference, Americans may claim with some reason that they should be invited.

2. Turks communicated to United States High Commissioner here their counter-proposals, as well as recent note fixing renewal of conference for 23rd April.

3. In view of passing of Chester scheme by Grand National Assembly, Turks would consider any omission to invite Americans as a direct encouragement to make further economic or political arrangements with them and as a proof that Allies had disinterested themselves in economic arrangements already come to between Turkey and United States.

4. We have nothing to lose by inviting Americans to attend conference, whilst failure to invite them, besides being a real slap in the face, might prompt them to work against Allied interests on the spot.

No. 46.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 10.)

(No. 232.)
(Telegraphic.) *Constantinople, April 10, 1923*

MY telegram No. 218

French High Commissioner expressed the opinion to me to-day that movements of troops to Afium Karahissar were designed as a menace to Syria and as a means of bringing pressure to bear on French in view of forthcoming conference at Lausanne.

No. 47

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 10.)

(No. 233. Confidential.)
(Telegraphic.) *Constantinople, April 10, 1923.*

MY despatch No. 193.

Chester scheme was passed by large majority of Grand National Assembly yesterday, subject to modifications introduced in committee stage, as to scope of which I have no information.

French High Commissioner is very much upset by action of Grand National Assembly, which of course violates concessions secured by French in connection

with Perier loan. He is contemplating a protest to Nationalist representative here and points out that action of Turkish authorities in this matter shows how little reliance can be placed on Turkish respect for agreements.

Colonel Mougin has telegraphed that action of Grand National Assembly was inspired by electoral considerations, as Deputies wished to show their constituents that their districts will be developed economically and will be tapped by a network of railways.

Despatch follows by King's Messenger.

No. 48.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 57.)
(Telegraphic.) R. *Foreign Office, April* 10, 1923.

YOUR telegram No. 123 of 6th April: Greek prisoners exchanged by Turks.

Military attaché should visit quarantine station and prepare a confidential report on condition of prisoners for use of His Majesty's Government.

(Repeated to Constantinople, No. 116.)

No. 49.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 11.)

(No. 381.) [By Bag.]
(Telegraphic.) *Paris, April* 10, 1923.

I HANDED to the President of the Council this afternoon a note embodying the views expressed in your Lordship's telegrams Nos 164 and 165

M. Poincaré told me that he would reply in writing, but he seemed in general agreement with your Lordship. He holds to invitations being addressed to Roumania and Jugoslavia, and seems inclined to stand out for invitation to Belgian representatives, but he may give way on this point.

No 50.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 11.)

(No. 383.) [By Bag.]
(Telegraphic.) *Paris, April* 10, 1923.

MY telegram No. 376.

M. Poincaré asked me to-day whether His Majesty's Government had yet decided who would be their chief representative at Lausanne, so I informed him that Sir Horace Rumbold had been chosen. He thereupon replied that in that case the French Government would in all probability appoint General Pellé to be their chief delegate. He presumed that that appointment would be agreeable to His Majesty's Government, as General Pellé and Sir H. Rumbold had always got on very well together. I replied that I was convinced that this would meet with the entire approval of His Majesty's Government.

M. Poincaré seemed pessimistic—

1. As to the probability of concluding a satisfactory treaty; and
2. As to the chances of its future ratification,

in view of the state of chaos now existing at Angora, where Mustafa Kemal had quite recently had to open fire on his own guards.

No. 51.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received April 11.)

(No. 182.)
(Telegraphic.) *Washington, April* 10, 1923.

YOUR telegram No. 123.

If you have definitely decided to send no communication to United States Government about resumption of Lausanne Conference, I should be inclined to advise making no further communication to Secretary of State until he addresses His Majesty's Government officially.

I am not quite sure, however, that it is politic to refrain from communicating with United States Government on this matter. In my telegram No. 490 of 1922 I informed your Lordship that American idea was to pose as Turk's best friend. In my telegram No. 181 I reported in connection with so-called Chester Concession to show how their plan was to work out. I am inclined to think, therefore, that not now to inform United States Government of resumption of conference will have no practical effect in diminishing either the ardour of their concession-hunter or the vigour of their intrigues with Turks. It will, however, have the effect of making them angry. I do not mind that if we gain anything by it, but otherwise it has not much point.

I think that it would really be better to tell United States Government officially of resumption of conference and let them send "observers." This will avoid giving them what will look to American people like a tangible grievance.

At the same time, I think that it would be well that your Lordship should send for American Ambassador and tell him that moment is approaching when we must know whether United States intends to deal frankly with us in open conference or to play for her own hand through intrigues of subordinates as she did at least in part at Lausanne. Having put that firmly before him and having requested him to obtain an answer, a somewhat blunt hint of public exposure of such manœuvre, if repeated, would be helpful. The Secretary of State has no wish to appear again before American public in an apologetic attitude as he would have to if his agents were shown to be guilty of acting behind the backs of the Allies.

In dealing with American politicians, who are usually hypocrites, a threat of exposure to public criticism is often the most effective weapon. I recommend your Lordship to have no hesitation in using it freely with Colonel Harvey. He knows all about the use of it himself, and in this instance he will not know as much as you do. If you can frighten him he is likely to transmit his apprehensions to Mr. Hughes, who in turn is likely to attempt to control Admiral Bristol and Mr. Gillespie. Whether he can do so or not is another matter. It is always a matter of fair suspicion with subordinate Americans, even though they are officials, that they are playing for their own pockets. Publicity is the one thing they dread. As they love to pose as possessing a superior morality it is a real punishment to them to be exposed. I doubt if they mind much anything short of that.

Pending further instructions I am taking no action

No. 52.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received April 11.)

(No. 183.)
(Telegraphic.) R. *Washington, April* 10, 1923

MY telegram No. 181.

Press reports this evening Chester Concession ratified by Turkish National Assembly. It is alleged to include development of Mosul oil region and railway construction in Mesopotamia. On this point your Lordship may think some categorical official statement desirable.

No. 53.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 11.)

(No. 235.)
(Telegraphic.) *Constantinople, April 11, 1923.*

I HAVE received note from Turkish Government stating that Greek authorities have deported to the islands all Turkish males from Western Thrace. Note protests against this action as a violation of principle of Exchange of Populations Agreement.

My impression is that deportations have been confined to Bulgarians, and note appears to indicate some connivance between Turkish and Bulgarian Governments.

(Repeated to Athens, No. 44.)

No. 54.

Sir W. Tyrrell to the Marquess Curzon of Kedleston (Tours).

(No. 1.)
(Telegraphic.) *Foreign Office, April 11, 1923.*

SIR A. GEDDES and Sir H. Rumbold have both replied, in long telegrams which follow on to-day's file, that in their opinion the balance of advantage lies in allowing Secretary-General to inform United States Government of date of resumption of negotiations at Lausanne. They both believe United States representatives might do more harm outside the conference, especially if they knew invitation had been deliberately withheld from them. Sir H. Rumbold also gives other reasons.

Mr. Phipps telegraphs from Paris that M. Poincaré shares generally your views, but wishes Roumania, Jugoslavia, and possibly Belgium invited. This presumably means that he will agree to send no invitations to neutrals and United States Government, although original French suggestion was, as you will remember, that same invitations should be sent out as to original Lausanne Conference, except as regards Russia and Bulgaria. M. Poincaré is to reply in writing.

If we are therefore to reconsider, in the light of Sir A. Geddes's and Sir H. Rumbold's telegrams, views already expressed to French Government regarding United States Government, which I personally consider it advisable to do, it seems important to forestall French reply. This telegram is therefore being sent to Paris by bag to-night, together with Sir H. Rumbold's and Sir A. Geddes's above-mentioned telegrams, in case your Lordship thinks it advisable to instruct Mr. Phipps to explain at once to M. Poincaré that we wish to reconsider our views regarding United States participation as observers. Mr. Phipps can use generally the arguments given in Constantinople and Washington telegrams.

(Repeated to Paris, No. 168 (by bag).)

No. 55.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 12.)

(No. 133.)
(Telegraphic.) R. *Athens, April 11, 1923.*

YOUR telegram No. 57.

As my colleagues certainly and Greek Government probably will ask to see report, may we communicate it after editing, if necessary?

No. 56.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 12.)

(No. 237.)
(Telegraphic.) *Constantinople, April 11, 1923.*

MY telegram No. 233.

French High Commissioner has to-day protested officially to Salaheddin Adil Pasha, who is acting for Adnan, against grant to Americans of railway concessions already given to French in 1914 and concession for port of Samsun, rights in which were also reserved to French at that time.

Local French organ yesterday published strong criticism of Turkish action and gives prominence to-day to decision of French High Commissioner to make official protest.

My recollection is that right to Samsun Port Concession given to French in 1914 was contingent on National Bank waiving its pre-existing right to concession.

No. 57.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 12.)

(No. 385.) [By Bag.]
(Telegraphic.) *Paris, April 11, 1923.*

MY telegram No. 383.

A magnified reflection of M. Poincaré's pessimism is to be found in to-day's press. "Pertinax," in the "Echo de Paris," discusses the Chester scheme and declares that it is merely a means used by Angora for annulling concessions in Asia Minor already promised and practically granted to French and British groups. Mustafa Kemal and his colleagues simply intended to resume their liberty of action, and France, who in June 1914 granted a loan of 500 million francs for the Armenian railway lines, is now left with that sum lost to her, and is quietly told that an agreement cannot be concluded until the payment of the second instalment of 500 millions. "Pertinax" concludes his article by stating that the Allies are now confronted in Turkey with a revolutionary and tyrannical power which does not intend to recognise the most legitimate rights and is itself incapable of replacing the régime which it overthrew. "What is the use of going to Lausanne? For the moment the best plan is to let the naval and even the military power of the Greeks bring the Turks back to an appreciation of realities."

It would be difficult to imagine a more striking tribute to the Near East policy of His Majesty's Government.

M. Gauvain, in the "Journal des Débats," continues to deplore the mistaken policy of the French Government, whose incredible weakness has resulted in the Turks turning towards the English, who knew how to stand out against them, and towards the Americans, who possessed the necessary capital. The Turks, after having made use of France, were now flouting her.

No. 58.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 12.)

(No. 386.) [By Bag.]
(Telegraphic.) *Paris, April 11, 1923.*

MY telegram No. 381.

M. Massigli informed me to-day that I should receive M. Poincaré's written reply to-morrow, but meanwhile he could tell me it would be on the following lines:—

French Government adhere to their desire to invite Belgian representatives, but agree on the other points raised in your Lordship's telegrams Nos. 164 and 165.

They think it highly desirable that a United States observer should be present, in view of the Chester Concession scheme, but they will probably agree that the inviting Powers should await an initiative from the United States Government.

The Italian Ambassador told me to-day that in his opinion it was perfectly hopeless to expect any agreement to be reached at Lausanne, or, if reached, to be subsequently ratified by the Turks. In these circumstances he is inclined to think that the more witnesses there may be to Turkish intransigence the better. He spoke in a most bellicose way, and seemed to think that the Allies would do well not only to stand firm, but even to threaten the Turks with hostilities.

He thinks the Turkish army, after the long pause in its victorious career, is completely demoralised and would not be very formidable for the Allies to tackle.

No. 59.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 12.)

(No. 134.)
(Telegraphic.) *Athens, April 12, 1923.*

CONSTANTINOPLE telegram No. 235.

Head of Political Bureau of Ministry for Foreign Affairs, to whom I mentioned matter, asks me to give, on behalf of Greek Government, most categorical denial to alleged deportation of all Turkish males from Western Thrace. He admits that a certain number of Turks who had threatened military communications have been deported as military measure (see my telegram No. 119). He volunteered expression of conviction that there is connivance between Turkish and Bulgarian Governments to prepare ground for raising question of status of Western Thrace at forthcoming conference.

(Repeated to Constantinople and Sofia.)

No. 60.

Mr. Phipps to Sir W. Tyrrell.—(Received April 12.)

(Unnumbered.)
(Telegraphic.) *Paris, April 12, 1923.*

FOLLOWING from Lord Curzon, No. 4 :—

"Secretary of State adheres to his original view that it is quite unnecessary to invite either America or Belgium to conference, and he deplores attempt which is being made in every quarter to convert conversations at Lausanne into a resumption of full-blown conference, with all the former elements of publicity and intrigue.

"American Government does not mean to sign treaty any more than Russia means to sign Straits Convention, and she merely utilises her presence as observer to foster intrigue. Secretary of State thinks, therefore, that we should wait for initiative to be taken by America.

"If she asks to be admitted again as observer application may be considered on its merits. Secretary of State has [? not] seen telegrams from Sir H. Rumbold and Sir A. Geddes, but does not think that they will alter his view, which rests upon fundamental conception of what revived conference ought to be, rather than what everybody else seems bent upon making it."

No. 61.

The Marquess Curzon of Kedleston to His Majesty's Representatives at Paris (No. 169) and Rome (No. 89.)

((Telegraphic.) D. *Foreign Office, April 12, 1923.*

REPLY of the Turkish Government of 8th April to the Allied note appears to me sufficiently satisfactory to justify negotiations being begun on 23rd April without further correspondence.

Please inform Government to which you are accredited accordingly and suggest that Allied High Commissioners at Constantinople should be instructed merely to inform Turkish representative there that the Allied Powers will send representatives to Lausanne for the opening of the conference on the date suggested by the Turkish Government.

(Repeated to Constantinople, No. 119; Athens, No. 59; Bucharest, No. 21; and Belgrade, No. 44.)

No. 62.

The Marquess Curzon of Kedleston to His Majesty's Representatives at Paris (No. 170) and Rome (No. 90).

(Telegraphic.) D. *Foreign Office, April 12, 1923.*

MY immediately preceding telegram.

Note of Turkish Government appears to accept proposal for negotiations between Turkish Government and Allied companies holding pre-war concessions. It is therefore desirable that such negotiations should be opened as soon as possible. British companies concerned are being urged to expedite their arrangements as far as possible, but they are anxious that negotiations should take place not at Angora but at Constantinople with Turkish delegates possessing technical knowledge and real powers to negotiate.

Please ask Government to which you are accredited to instruct French (Italian) High Commissioner at Constantinople to concert at as early a date as possible a note to the Turkish Government asking them to hold negotiations at Constantinople, and enquiring with whom negotiations are to take place and on what date the Turkish Government will be prepared to begin them.

(Repeated to Constantinople, No. 120.)

[E 3947/6/44] No. 63.

Mr. Ker to Mr. Osborne.—(Received April 13.)

Dear Osborne, *War Office, April 12, 1923.*

HEREWITH two copies unofficially of Heywood's report of his visit to Salonica. As I mentioned to you on the telephone, the D.M.O. and I intended to send a copy to Sir Eyre Crowe, but the typing was not completed before he left for a staff ride.

I think you will find the report worth reading.

The latest word I have had from Hoare-Nairne in Athens about the Greek army is that he thinks the Greek nation are just as much afraid that Pangalos will march on Athens as we are that he will march on Constantinople.

Yours ever,
C. A. KER.

Enclosure in No. 63.

Report on a Visit to Salonica, March 16–21, 1923.

Narrative.

IN accordance with commander-in-chief's instructions, I left Constantinople in H.M.S. "Wivern" on the evening of the 16th instant, arriving Salonica at 4 P.M. on the 17th. I left Salonica again at 2·15 P.M. on the 20th, arriving Constantinople 10 A.M. on the 21st.

2. During my two and a half days' stay at Salonica I was able to consult at length with Major Johnston. I had two long conversations with the Greek Commander-in-chief, General Pangalos, one of one and a half hours on the 18th and one of an hour, alone with him, on the 20th. I also dined with him at his house on the 18th, when there were present, amongst others, his chief of staff and the Greek military attaché at Rome. I had conversations with several of his staff officers and several leading Greek civilians, whom I knew particularly well during the years 1916–18, and who played an an important part in the 1916 revolution and are generally "well in the know." I also had an opportunity of talking with our consul and several British army ex-officers who had been locally demobilised and had settled in business in Salonica since the war.

3. During my visit I paid a lengthy visit to our old base aerodrome at Nikra, which has been taken over by the Greek Flying Corps complete with its workshops and base establishments, and verified for myself the flooded state of the country and the

interference it has caused to communications. There have been abnormally heavy rain-storms, with the result that the whole of the country is under water and all the temporary wooden bridges, which were built after the war over the Vardar, Struma and Mesta to replace the permanent bridges which were destroyed during the war, have been swept away by the recent floods. Salonica was cut off from the outside world both by rail and road. It was expected, however, that communication with Athens would be re-established within a week or ten days, with Serbia within ten days or a fortnight, but that communication between Salonica and Western Thrace would not be re-established for a period estimated at from one to two months, with the result that supplies for the army on the Maritza have now to be sent by sea to Dedeagatch, whilst the Cretan division at Seres was moving to the Kavala–Drama area, as it had to receive its supplies by sea to Kavala instead of by rail and road to Seres.

4. From what I saw and heard it is very evident that the Greek Staff and the higher classes of society in Greece are imbued with a sense of the desperate situation in which Greece finds herself and the necessity for a rapid solution. They do not consider that peace, under present conditions, is likely to give Greece a satisfactory solution to her present political, financial and refugee problems, but that this would be provided by a successful war in which the Turks would be driven out of Europe.

5. The situation as they see it is as follows: Greece has no friends, is financially bankrupt and is flooded with a mass of 1,200,000 refugees, more than half of whom are composed of families without any valid men, as the latter have been retained by the Turks in Asia Minor. They agree that there is plenty of land on which to settle these people, but families without men cannot be settled on the land; and, furthermore, they have not got the money to build new villages, to buy agricultural implements and ploughing animals.

6. They have made a tremendous effort in reorganising their army; they have completely renewed its cadres with officers and commanders who gained their experience during the great war with the Allies; they have only five classes under arms, who are drawn from men who were not fighting in Asia Minor last year. They claim that the *moral* is high and that the desire to fight has been fostered by the sight of the many thousands of starving refugees whom they see everywhere in their country.

7. They point out that they can only just find the money to keep the army going for a strictly limited period of time (two months—possibly three). They believe that if they fight they can reconquer Eastern Thrace in a fortnight. They claim that the holding of the Sinekli line, or the holding of the Bosphorus, if the Allies leave Constantinople, will require far fewer troops than holding the Maritza line, and that the recovery of Eastern Thrace would at once settle their refugee problem, because 350,000 of them who left Eastern Thrace would return to their own houses, and to each family they could add one family from Asia Minor. The settling of the balance in the remainder of Greece would thus be greatly simplified.

8. To the argument that any attack on the Turks across the Maritza would seriously embarrass the Allies whilst negotiations were going on would certainly not be approved by them and might even be actually opposed by them, they reply—

(*a*.) That the Allies did not oppose the advance of the Turks across the boundaries of the neutral zone at Chanak and Ismid when the latter violated them without any justification whatever, whereas Greece would be fully justified in advancing into Eastern Thrace in view of the breaches of the Mudania Convention by the Turks, who had organised an army in Eastern Thrace;

(*b*.) That in March last year the then Greek Government placed the fate of Greece in the hands of the Allies; that a conference was held in Paris which formulated certain decisions by which Greece was to evacuate the whole of Anatolia and the greater part of Eastern Thrace. Greece accepted these terms, and hoped to have peace within a short time. Allied diplomacy failed to get this settlement accepted or carried out by the Turks, with the result that the army, hourly expecting to evacuate, could not understand the situation, the *moral* deteriorated, and the Turks, benefiting by all these factors, attacked with disastrous result for Greece;

(*c*.) That in September and October 1922 Greece again put her fate in the hands of the Allies, and agreed, by the Mudania Convention, to evacuate Eastern Thrace without fighting in order to obtain peace. Six months have now elapsed, and peace had not been given them;

(*d*.) That they could not afford to repeat last year's mistake and wait indefinitely. They have worked up their army again, and they are now holding their

men back. After a time, if the men see there is neither peace nor war, the same process may occur, particularly as after two or three months Greece will be unable to keep her army clothed and fed on a proper scale; then would come Turkey's opportunity to attack Greece and obtain Western Thrace. This would be the death-blow to Greece. A rapid solution was therefore essential, and if the diplomats failed to give them peace within one or, at most, two months, the soldiers would have to take matters into their own hands and get their own peace;

(*e*.) That nothing succeeded like success, and they felt certain that if they were successful they would have plenty of friends.

9. The commander-in-chief holds the same views, although he does not put them quite so bluntly. He says that of course he hopes that peace will be achieved rapidly; but he cannot help thinking that war would be more advantageous to Greece, particularly if this war was waged with the approval and moral help of the Allies, but, failing that, even if the Allies merely gave Greece a free hand. He compared Greece to a dying man with very little hope of salvation. In that condition the man gets desperate, and if he is a brave man and sees the chance of saving himself, he takes it; and he cited the example of Xenophon and his 10,000, and pointed out that he who did not fear to die generally succeeded in saving himself, whereas the man who feared to die generally died.

10. In his last conversation with me, immediately prior to my departure, he emphasised the inability of Greece to maintain herself mobilised, with her head above water, for more than one or two months—or, at the most, three—the necessity for an early decision as to whether they were to have peace or war, and his confidence in being able to reach the Bosphorus in fifteen days. He added that he had studied the possibility of moving his headquarters to Dedeagatch or Gumuljina, as for the moment he was in the impossible position of a commander-in-chief completely cut off from his army by rail and road. He said general headquarters were formerly at Dedeagatch, and had only moved back to Salonica during the Lausanne Conference in order to emphasise the pacific intentions of Greece.

11. I pointed out to him that a move of his headquarters back to Dedeagatch would be completely misunderstood by Western Europe in general and would give Turkey and the other enemies of Greece an opportunity for complaint and for creating mischief, and that whilst negotiations were on the point of being renewed it seemed a pity to do anything which might upset them. Pangalos later, towards the end of the conversation, stated that, in view of the considerations I had put forward, he would reconsider the question of his move to Dedeagatch, and would try not to carry it out, at any rate for a month; but that, if he did have to go, he would try to place his headquarters not so far east as Dedeagatch, viz., at Gumuljina, which was, at any rate, east of the Mesta and his broken communications. In the meantime, however, he might find it necessary, without moving his headquarters, to inspect his troops himself.

12. He said that he had frequently been accused of bellicose intentions, and stated that this was quite untrue; but, as commander-in-chief of the Greek army, he was responsible that that army was ready to fight should the Turks force war upon them, and he expressed the hope that the Turks might be foolish enough to force a rupture by their attitude at the new conference.

Additional Military Notes.

Colonel Aftonides has replaced, as Chief of Staff, Colonel Kaloyeras, who was offered the command of a division by General Pangalos, which he refused, and left for Athens on the 21st March.

The Greeks have acquired fifteen British scouts of the latest pattern (Mars Scout or Night Hawks, Mark XV, with Jaguar engines). These machines were brought out by a British pilot named James, who instructed the Greeks for a short period. They are very busy at their base aerodrome erecting machine (Breguets). They make everything at the workshops excepting the engines, which they get from France. They have five squadrons varying in strength from five to twelve machines each. General Pangalos said that the army had forty machines.

British ex-officers in Salonica told me that the *moral* and discipline has improved enormously, and I noticed that the saluting and clothing was much better than I had expected to see.

Conclusion.

My impressions are that—

1. Whatever may have been General Pangalos's intention, the recent abnormal floods and the consequent interruption to land communications between Salonica and Thrace render any active operations impossible before the second half of April;

2. Earnest preparations are being made in view of the possibility of such operations, which are hoped for by the Greek Staff;

3. The move of General Pangalos's headquarters eastwards would not necessarily imply an immediate attack on Eastern Thrace, but more probably his readiness to move on Eastern Thrace if negotiations did not reach a solution within a certain time;

4. A general sense of despair caused by the political, financial and refugee problems with which Greece is faced has created a feeling of the absolute necessity for a rapid decision for peace or war;

5. If, by the middle or end of April, peace negotiations are not sufficiently far advanced, Greece may say that she can no longer wait for peace to be made for her and that internal pressure forces her to endeavour to obtain peace for herself;

6. One of the most powerful levers for peace in Greece would be the knowledge that money would be forthcoming to assist in the settlement of refugees on the land;

7. Politically, if Great Britain does not give early recognition to King George and the Greek Government, it is quite likely that Pangalos will head a counter-movement with the object of establishing a republic;

8. I was unable to obtain any really reliable impression as to the feelings of the bulk of the men towards the possibility of renewed hostilities.

T. G. G. HEYWOOD, *Lieutenant-Colonel,*
General Staff.

General Headquarters,
British Forces in Turkey,
March 26, 1923.

No. 64.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received April 13.)

(No. 184.)
(Telegraphic.) R. *Washington, April 12, 1923.*

MY telegram No. 183

Grant of Chester Concession has given rise to considerable press discussion here. Washington "Herald" hails it as a masterly stroke of United States commercial diplomacy. New York "Evening Post" points out that any legal objections can be cleared up legally, but that if other nations protest because concession is contrary to their own interests, this involves retrogressive policy of carving up of territory into spheres of interest. It therefore urges international co-operation on lines of China consortium in carrying out concession.

New York World" says approval and support of concession by United States means participation in all Turkish and mandated territory problems. In somewhat offensive article it argues that it is up to Great Britain to co-operate or to invite open conflict. Grant of concession is also characterised as astute move by Turkey to secure more active part by American "observers" at approaching conference. New York "Times" to-day reports that State Department have stated that there is nothing in terms of concession to prevent United States Government giving diplomatic support. Further reference is made to French protests and to purely commercial character of concession as compared with imperialistic character of rival foreign claims. Attention is drawn, however, to possibility of next Turkish Assembly taking away concession if higher bid is available elsewhere; although greater part of railway lines and mineral territory comprised in concession are stated to lie [? omitted]: outside] and thus to be unaffected by any Mosul decision it is thought that grant of concession may have been due to desire to get United States Government on Turkish side in Mosul boundary dispute, and that although State Department say that this will not occur, United States will be in for an involvement" if Chester title is infringed. Washington "Post" to-day says

while United States Government will speak plainly on behalf of Chester rights they cannot afford to become involved in Near East political quarrels and possible war for the sake of supporting Chester Concession, and that Turks may be disappointed if they think they have thus secured special friendship of United States. Near East political question must be settled by parties concerned and United States must keep out.

No. 65.

Acting Consul, Jeddah, to the Marquess Curzon of Kedleston.—(Received April 13.)

(No. 13.)
(Telegraphic.) *Jeddah, April 13, 1923.*

YOUR telegram No. 8.

Two thousand pounds have been remitted to ex-Sultan, who has also received letter mentioned in my telegram No. 10.

He has ordered Zeki Bey, his aide-de-camp, to proceed to Haifa to examine residential possibilities pending reply from His Majesty's Government to his telegram to Malta—this despite representations made to him by King Hussein as to unsuitable conditions at Haifa, and as to promising field of propaganda offered him here by pilgrimage, and despite Secretary of State for Foreign Affairs pointing out to him (at my request) that he has not yet notified His Majesty's Government of his intention to leave the Hedjaz, with emphasis on the propriety of submitting two or three alternative places of residence. I thing prospect of Ramazan in Mecca rather terrifies him.

I will report anything I can ascertain from Zeki Bey as to Sultan's intentions, but think that it would be undesirable to refuse him visa.

Do you agree?

(Sent to Constantinople and Jerusalem.)

No. 66.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Constantinople).

(No. 124.)
(Telegraphic.) R. *Foreign Office, April 13, 1923.*

WASHINGTON telegram No 183 of 10th April: Chester Concession.

An official statement might be made in form of question and answer in the House, reply being that "His Majesty's Government have heard of the alleged grant by the Turkish Government of a concession to an American company to construct railways in Asia Minor and that it is said to include the development of the Mosul oil-fields as well as the construction of railways in Irak. Whatever may be the truth of the statement, it is not customary for the authorities of one State to grant concessions in territory administered by another, nor could such grant have the slightest validity."

Please telegraph your views.

(Repeated to Washington, No. 126.)

No. 67.

The Marquess Curzon of Kedleston to Acting Consul Grafftey-Smith (Jeddah).

(No. 10.)
(Telegraphic.) *Foreign Office, April 13, 1923.*

MY telegram No. 9 of 7th April: Remittance for Sultan.

I have received further telegram from Sultan, through Lord Plumer, pressing for decision about his place of residence. Please inform him that, much to their

regret. His Majesty's Government cannot in existing circumstances make adequate arrangements for his accommodation in Palestine, but that they suggest that, if it suited his convenience, he might with advantage take up his residence in Switzerland.

For your own information, we do not want to pay for his journey again, although we should be glad to help him to make his arrangements.

No. 68

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 61)
(Telegraphic.) R *Foreign Office, April* 13, 1923.

YOUR telegram No. 133 of 11th April: Report on condition of returned Greek prisoners.

Report should not be communicated to Greek Government or to any of your colleagues, pending consideration and decision by Foreign Office.

[E 3520/4/44] No. 69.

The Marquess Curzon of Kedleston to Mr. Harvey.

Your Excellency, *Foreign Office, April* 13, 1923.

WITH reference to your note of the 4th instant, enclosing a copy of a note addressed by the Department of State to the Allied Ambassadors in Washington, on the subject of the relief of refugees in the Near East, I have the honour to inform your Excellency that the substance of this note had already been received in this Department by telegraph from His Majesty's Ambassador at Washington

2. Sir A. Geddes was instructed on the 7th instant to inform the United States Government in reply that His Majesty's Government welcome their proposal for an exchange of views regarding the liquidation of the refugee problem, and will gladly co-operate with them as far as possible with a view to working out a constructive scheme for this purpose. His Excellency was requested to add that His Majesty's Government will await definite proposals from the United States Government before taking further action in the matter.

I have, &c.
CURZON OF KEDLESTON.

No. 70

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 14.)

(No. 393.) By Bag.
(Telegraphic.)
Paris, April 13, 1923.

MY despatch No. 919.

Since receipt of note from French Government enclosed therein, I have received a supplementary note stating that between 5th and 8th April four military trains coming from the Konia region have crossed Cilicia, three of them carrying each a battalion of infantry about 500 strong and one conveying cavalry belonging to the 12th regiment and including about 150 lances. In addition, measures are said to have been taken for the transport of an army corps, including 1,000 officers. These troops are said to be intended eventually to be sent east

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No. 71.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received April 14.)

(No. 186.)
(Telegraphic.) R. *Washington, April* 13, 1923.

MY telegram No. 184.

Fox, in the "Washington Post" this morning, reports that United States Government will support concession like any other valid American rights. Concession is not held to violate United States open-door policy, object of which is to permit fair competition for all in securing concessions, though in this case Americans happen to have won. Mandate systems do not permit of non-recognition of American rights in favour of mandatory's interest alone, since mandates are undertaken in the interests of humanity. United States Government cannot be charged with insisting on questionable rights, since, if conflicting claims arise, they consider that impartial international tribunal should decide. British and French claims, including that of Turkish Petroleum Company, may have obtained sanction of Turkish officials, but are invalid because they have not been accepted by Turkish Assembly.

"New York World" characterises grant of concession as a political move to draw United States into a sordid imperialistic struggle, and warns against counting on Turkish good faith. If United States Government support concession "entanglements" in Europe are inevitable, their previous policy, including opposition to League of Nations, will become a mockery, and United States foreign policy will be put on the very lowest plane of the extreme domains of diplomacy.

No. 72

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received April 14.)

(No. 187.)
(Telegraphic.) R. *Washington, April* 14, 1923

MY telegram No. 182.

Article by Albert Fox in to-day's "Washington Post" announces that it was authoritatively stated at White House yesterday that Child, Grew and Bristol would represent United States at resumption of Lausanne Conference, and that position will remain virtually unchanged "despite important and outstanding development in situation which has resulted from awarding of Chester Concession to American interests by Turkish Government and despite British and French protests to Turkey against this award"

State Department informs me that Fox's announcement is premature and that "no decision has been taken yet."

No. 73.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received April 14.)

(No. 188.)
(Telegraphic.) R. *Washington, April* 14, 1923.

MY telegram No. 186.

Admiral Chester, in an interview published in yesterday's "Evening Star," points out that Great Britain and France approved of his concession as far back as 1911. Why should they kick now? He says England has nothing to do with this Mosul oil-field which is included in Chester Concession. England made it part of her mandate through Treaty of Genoa, which was torn up by France and never signed by Turkey. He adds that Franklin-Bouillon, finding that French were barred from industries in Anatolia, asked co-operation of Chester Syndicate so that French could have some interest in these through Americans.

"New York Times," in leading article to-day, states that a Washington despatch to the paper suggested that State Department had decided to support

concession so far as it referred to Anatolia, but to disinterest itself in question of Mosul. That means standing by England and keeping France and others out. "Times" adds that, whether this would be praiseworthy or not, it would at least be prudent, intelligent and likely to succeed, but there is no reason to suppose that State Department has so definite a policy

Paper warns that Turks will be quite ready at any time to sell Americans out if it seems profitable, even as they sold French out

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No. 74.

Sir R. Graham to the Marquess Curzon of Kedleston.—(Received April 14.)

(No. 74.)
(Telegraphic.) R. *Rome, April 14, 1923.*

YOUR telegram No. 89.

Italian Government concur, and have instructed their High Commissioner at Constantinople to associate himself with his Allied colleagues in informing Turkish Government of acceptance of date proposed for conference.

No. 75.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 15.)

(No. 138.)
(Telegraphic.) *Athens, April 14, 1923.*

FOLLOWING from consul at Volo:—

Opinion here seems convinced that military *coup* in Thrace is imminent Great Britain tacitly consenting on the ground of indemnity question. This belief has apparently been confirmed by commander-in-chief and chief of revolutionary group omitted: ? party], who passed through yesterday *en route* for Salonica and gave many interviews.

"There is practical unanimity in favour of war."

(Sent to Constantinople.)

No. 76.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 15.)

(No. 242.)
(Telegraphic.) R. *Constantinople, April 15, 1923.*

YOUR telegram No. 124

Information up to date does not indicate that any concession has been given for Mosul oil-field as such. In Irak, as elsewhere, mining rights appear to be subsidiary to railway construction, and are confined to 20-kilom. zone on both sides of future railways. It may therefore be advisable to word statement rather differently, *e.g.*, "to construct railways in Asia Minor and Northern Irak with accessory mining rights, which would include extra oil in certain parts of Mosul Province."

Otherwise I agree. If statement is made, I trust it will receive widest publicity through Leafield wireless.

[E 3879/4/44] No. 77.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 275.)
My Lord, *Athens, April 5, 1923.*

WITH reference to my despatches Nos. 177 and 192 of the 6th and 9th ultimo, I have the honour to report that the British Red Cross, which has taken over the management of the hospital at Stringos camp, hitherto run by the British committee, and which will next month be responsible for the other hospital in Athens, St. Helen's

supported by the British committee, are now starting fresh operations at Drama. They have fortunately left an English doctor and some Red Cross nurses at Stringos, and, with the help of the lady camp commandant appointed by the British committee, the epidemic of typhus is being kept under control, although it has not, as yet, been entirely stamped out.

2. The refugees in the other British camp at Klonarides' Brewery in Athens (see paragraph 3 of my despatch No. 752 of the 27th December) have now been moved into tents in a healthy spot called Pankrati, on the outskirts of Athens, where workrooms are being started and every effort is being made to find employment for the people as quickly as possible, so that they may be in a position to support themselves. Huts are being built in that neighbourhood with the money which the director of Klonarides' Brewery had paid in order to get rid of the refugees, and we hope to be able to put our refugees into these huts as soon as they are ready. As soon as typhus has been stamped out at Stringos we hope to move about 500 refugees from there to other tents which the Red Cross are providing at Pankrati. The Stringos camp is gradually being thinned out. Twenty families were taken two days ago to work in a tobacco factory at Larissa, and some wealthy Armenian talks of taking about 500 of his nationals off our hands.

3. This British effort is, however, as I have already pointed out, hampered by lack of funds and staff, so that it is difficult to do much in the way of village settlements, as is being done in Western Thrace and Macedonia, whither the support which we might have hoped to have received from England appears to have been diverted. The work of the British committee under His Majesty's Legation, which, as already reported, assists the efforts of British committees at Corfu, Zante, Patras, Volo and Salonica, besides running two camps and up till now two hospitals in the neighbourhood of Athens and another camp of Assyrians at Poros, has had to depend upon subscriptions given by the local British community and their friends at home, certain Greeks in Bombay and Brisbane, and certain Greek friends in Athens. Had not some of the feeding been undertaken by "Save the Children" and the medical side now received the support of the British Red Cross, this effort would have been obliged to close down ere now.

4. In Patras, I regret to report, a well-organised British effort threatens to close next week unless help is forthcoming. I am trying to prevent this, as I consider it unfortunate that British work established from the beginning should have to be abandoned for lack of support. I have endeavoured to persuade the British Red Cross to assist, but they declare that they can only do medical work. The British colony at Patras is a small one. The refugee workers consist of a few ladies who have their own families to attend to, and, owing to the epidemics, there is a certain amount of risk involved. As nearly all the British colony live in the country, these ladies have felt that they cannot continue any longer, especially as many are now going abroad. I may here mention that about 5,000 to 6,000 refugees have passed through the hands of the British workers at Patras. Some of these have now gone to America, others to Athens and others have found their relations, and many of those in the refugee camp have found work. The committee are still, I understand, prepared to give some sort of assistance to those who remain destitute.

5. Besides the 320 Assyrians maintained by the British committee on the island of Poros, another 200 or 300 have turned up at Piræus. As there appears to be little hope of funds being available to transport them to their homes near Mosul, we are endeavouring to settle them on the land, and negotiations are being carried on with the manager of the Lake Copais Company to employ as many as 400 hands on work in connection with the draining operations. These men and women appear to be able and willing to work, but are naturally not pleased at the idea of settling indefinitely in Greece, as their desire is to live under British rule.

6. M. Adossides, the Greek representative here of the League of Nations, has kindly supplied me with another large list of clothing received from the Imperial War Relief Fund for distribution amongst refugees. He considers that the British effort should get the credit for what is supplied from England, and so he has kindly given me the pick of the clothing for our refugees. The rest is to be distributed by an English lady at Lamia.

7. I learnt yesterday with regret that "Save the Children Fund" are now curtailing their effort in Old Greece, and are even recalling Major Barton at the end of this month owing, it appears, to fresh commitments in Western Thrace. I consider this particularly unfortunate. Major Barton has always endeavoured to work in co-operation with the British committee here, and I fear that this branch of the British

effort, which is, I understand, supplied with British money, will once again become camouflaged under the name of the "Croix-Rouge internationale." Besides, it seems to me to be most unfortunate that, in order to feed those perhaps less in need, we should abandon many thousands of helpless women and children who look to us to save them.

8. There is plenty of work still to be done if these unfortunate refugees are to be saved from starvation and disease. Only the other day a batch of refugees were discovered sheltering near a station in a starving condition. The American Red Cross are, I understand, endeavouring to give the children milk, but feel that even they cannot do more. Yesterday I learnt that a fresh batch, presumably from Constantinople, have been placed in tents near our camp at Pankrati. They were starving. There are other fresh arrivals at the sanitary station at Makronisa who are, M. Adossides told my wife, dying in large numbers from disease. The typhus and smallpox outbreaks appear fortunately to be subsiding, and even in Corfu, I understand, the situation has improved. Other kinds of epidemics are, however, expected to make their appearance as soon as the hot weather begins.

I have, &c.
C. H. BENTINCK.

[E 3852/1/44] No. 78.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(*Received April* 16.)

(No. 406.
My Lord. *Washington, April* 5, 1923

WITH reference to my telegram No. 176 of the 3rd April, I have the honour to transmit to your Lordship herewith copy of a memorandum which I have received from the United States Government explaining the attitude of the United States in regard to certain economic and financial clauses of the draft treaty between the Allied Powers and Turkey.

I have, &c.
A. C. GEDDES.

Enclosure in No. 78.

Memorandum.

ON the 17th March Mr. Craigie informally called the attention of the chief of the division of Near-Eastern Affairs to the letter addressed to Lord Curzon by Ambassador Child at Lausanne under date of the 4th February regarding the economic and financial clauses of the Lausanne Treaty, and suggested that it might serve to avoid misunderstanding if the views expressed in this letter could be elaborated by specific reference to the clauses which might be considered as objectionable or open to an ambiguous interpretation.

As it seems possible that the recent counter-proposals of the Angora authorities which have been considered by the Allied Powers in London will result in a renewal of negotiations, the department may desire to take a later opportunity to submit a more detailed expression of its views. However, without undertaking an exhaustive survey of the economic and financial sections of the Lausanne draft treaty, it may be stated that the provisions which Ambassador Child had chiefly in mind in his letter of the 4th February were such as appeared to have possible bearing upon rights or concessions granted or alleged to have been granted either before the war or more recently by the Turkish authorities at Constantinople or Angora. It was felt that misunderstanding might result if the contracting Powers should attempt a settlement by provisions of a treaty of questions of a juridical character, which might involve the interests of nationals of the United States and of other countries.

Inasmuch as the exigencies of the situation had been deemed to be such as not to admit of what was considered by the American Mission to be adequate opportunity for the discussion of certain provisions of the character indicated, it was suggested by Ambassador Child that there be inserted in the treaty a blanket provision for the settlement by arbitration of conflicting claims of private and national interests.

The most important of the provisions to which Ambassador Child adverted are contained in article 94 of the draft treaty. Paragraph 2 of this article reads as follows: —

"All conventions or contracts relating to concessions made between Turkey and Allied subjects, and any agreements and decisions in regard thereto, prior to the 29th October, 1914, are also confirmed if they have begun to be put into operation, or have formed the object of agreements between the Ottoman Government and an Allied Government, notwithstanding the non-fulfilment by Turkey of all the conditions requisite for their final confirmation."

It is felt that this provision, if incorporated in a treaty between the Allied Powers and the Ottoman Government, might possibly be invoked by interested parties as confirming or validating claims to concessions which had not in fact been granted and finally approved by the Ottoman Government prior to the 29th October, 1914. This Government considers that it would be unfortunate for the Allied Powers to insist upon the insertion in the treaty of any provision designed to confer upon Allied nationals with respect to concessions, which, prior to the 29th October, 1914, were the subject of conventions, contracts, agreements or decisions, rights more extensive than those which were acquired under or by virtue of the conventions, contracts, agreements or decisions in question.

The observations just made are applicable with respect to concessions which, under article 96 of the draft treaty, might possibly be claimed from the Governments of territories detached from Turkey. In this connection, also, it may not be inappropriate to call attention to the provision in article 65 of the draft treaty to the effect that States in whose favour territory is detached from Turkey shall acquire without payment all property and possessions situated therein belonging to or registered in the name of the Ottoman Empire or of the Civil List. It is presumed that any property or possessions acquired by any State through the operation of this article would be subject to existing legal or equitable rights of interested parties. It is believed, however, that future controversy might be avoided if the language were more explicit.

Another provision of the draft treaty apparently susceptible of an interpretation which would be objectionable, and which is believed not to have been intended, is contained in article 97, which reads as follows:

"The Allied Powers shall not be bound to recognise in territory detached from Turkey the validity of the grant or transfer of any concession by the Ottoman Government or by local Ottoman authorities, effected after the 29th October, 1914."

This Government could not admit the impairment, through the operation of this article, of any rights acquired by American nationals in good faith and upon compliance with the applicable laws.

The annulment under article 98 of concessions granted to German, Austrian, Hungarian or Bulgarian nationals or companies in which the interests of such nationals are preponderant, cannot, it is presumed, be intended to deprive American citizens of rights which may have been acquired by them in good faith in such concessions.

Article 115 provides that—

"No disposition of the treaties, conventions or agreements concluded by Turkey with any Power whatsoever may be held to run counter to the present treaty. Turkey further undertakes to denounce any disposition irreconcilable with the present treaty."

The provision of this article is somewhat sweeping. Presumably it is not intended to comprehend any existing agreement between the United States and Turkey, nor can it directly affect the legal status of any existing treaty rights of this Government.

As has been indicated in the opening paragraph of this memorandum, no attempt has been made, in presenting these observations, to comment in detail on the two sections of the Lausanne draft treaty, namely, the economic and financial clauses, which have been taken under consideration.

Department of State, Washington,
March 31, 1923.

E 3840/21/44] No. 79.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 215.)
My Lord, *Constantinople, April 9, 1923.*

IT may not be without interest to review the measures which the Turkish Government have applied, or are seeking to apply, at Constantinople and at Smyrna, and which give an indication of the attitude of that Government towards foreigners and foreign enterprise generally.

2. It is only fair to the Nationalist representative at Constantinople to say that in some instances he is known to have objected to the application of some of the measures which he has received instructions to enforce. Adnan Bey has, in fact, a better appreciation of the local situation than is possessed by the backwoodsmen at Angora.

3. The measure which is now causing the most commotion here is the application of the dry régime. Adnan Bey here and the Turkish Government at Angora realised that the enforcement of the dry régime at Constantinople in present circumstances would meet with great difficulties. But they were overruled by the National Assembly, which recently sent categorical orders that the dry régime was to be put into force. The Allied High Commissioners met to consider this question, and decided that, pending the ratification of the Treaty of Peace, they could not admit of any interference by the Turkish authorities with the right of subjects of the occupying Powers to sell and consume alcoholic beverages. A verbal notification to that effect was made to Adnan Bey by the dragomans of the three Allied High Commissions.

4. Meanwhile, the Nationalist authorities here had invited the Committee of Generals to furnish them with lists of the establishments which the generals wished to keep open for the purpose of supplying drink to the forces of occupation, since the Turkish authorities fully admitted that the occupying forces could not come within the operation of the law on prohibition. The generals have accordingly furnished a list of strictly military establishments, leaving the High Commissioners to deal with the question of restaurants and wine-shops which supplied drink to civilians and, incidentally, to the forces of occupation. I do not doubt that a temporary *modus vivendi* will be found in this question. It is recognised, however, on all sides that the attempt to enforce prohibition at Constantinople is really nothing short of ludicrous, and the opinion is freely expressed that the new National Assembly will probably reverse the action in this matter of the present Assembly. A consideration which the present National Assembly seems entirely to have overlooked is that the enforcement of the dry régime will deprive the Turkish Government of a very considerable revenue. The Council of the Debt will lose £T. 4,000,000 a year, representing its share of the tax on spirituous liquors, and the Government will be obliged to make this amount good to the debt from other sources. One is almost tempted to think that the backwoodsmen at Angora, who live in conditions of great discomfort, if not of squalor, wish to make things as uncomfortable as possible for their fellow-countrymen at Constantinople.

5. The Nationalist Commissary for Finance recently informed the Debt Council that it would consider as null and void all payments made by the said council to the bondholders on account of interest on the debt until the currency in which such payments are to be made in future had been settled by the Treaty of Peace. The Debt Council was, for the same reason, requested to refrain for the present from making any payments to the bondholders on account of interest. This communication has raised this particular question in an acute form, and has naturally led to a protest from the Debt Council.

6. A circular was recently sent to Allied schools at Constantinople reminding the latter that instruction in the Turkish language, in Turkish history and geography, would be obligatory in future, and summoning the said schools to engage Turkish professors "at a suitable rate of remuneration." It transpired that, whereas Turkish professors were to give thirteen hours' tuition a week to foreign schools, they were to receive the same remuneration as their colleagues in Turkish schools, who give eighteen hours a week tuition. It is apparent that the object of the Turkish authorities was to provide well-paid sinecures for their nationals at the expense of the foreign schools. The Allied High Commissioners considered this question, and informed Adnan Bey that they did not admit of the application to their schools of the regulations in question until the ratification of the Treaty of Peace.

7. A few nights ago the Turkish police summarily closed five chemists' shops kept by respectable Russians and turned their proprietors out into the street, in spite of the

arrangement come to with Refet Pasha under which the Russians were to enjoy the protection of the inter-Allied police. This matter has been temporarily put right, and the chemists shops have been reopened. I informed Adnan Bey that the Allies had done a great deal to solve the problem of the Russian refugees at Constantinople, and that it was a foolish proceeding on the part of the Turkish authorities to deprive respectable Russians of a means of livelihood. The Allies are not, however, on firm ground in this matter, as the shops in question do not hold a licence from the Turkish authorities.

8. My despatch No. 206 and previous despatches will have reported to your Lordship the outrageous conduct of the Turkish police with regard to the Ottoman-Greek refugees in the Selimieh barracks, proceedings which were calculated to undo all the good work performed by the special Sanitary Commission, on which the Turks are represented, set up to deal with the sanitary aspect of the refugee problem here. It is difficult to restrain a feeling of irritation at the imbecile conduct of the Turkish police in this matter.

9. At Smyrna the Turkish authorities threaten to sequestrate the property of Greeks and Armenians deposited in Allied banks, and a Turkish commission is proceeding to open unclaimed safes in the Banque d'Orient. The Turks do not, however, as yet appear to have violated the professional secrecy of the French and Italian banks, and no case has so far been reported of the forcing of safes of Allied subjects. We are only concerned as regards the principle involved, since there is no British bank at Smyrna at the present moment.

10. My despatch No. 205 enclosed a despatch from Mr. Urquhart, reporting that the Turkish authorities might very probably hold the insurance companies' agents in Smyrna personally responsible if their principals did not pay policies in connection with the recent fire. There is reason to believe that the anxiety of the Turkish Government that the insurance companies should make good the damage caused by the fire at Smyrna is prompted by the following calculations: The quarters destroyed by the fire were the Greek and Armenian quarters. The proprietors of the houses in the burnt-out quarters fled, and the Turkish authorities consider the remains of these houses as coming under the law of abandoned property. They therefore hope to substitute themselves for the owners, and obtain compensation from the insurance companies.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

[E 3844/1/44] No. 80.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 218.)
My Lord, *Constantinople, April 10, 1923.*

WITH reference to my telegram No. 225 of the 8th April, I have the honour to transmit herewith copy of the French text of the note from the Angora Government relative to the resumption of the Peace Conference which Adnan Bey handed to me on that day, and of Adnan Bey's covering letter.

2. On studying the Turkish note, I was particularly struck by two points in addition to those which I mentioned to Adnan Bey on receiving it, as reported in my telegram under reference. These were, firstly, the reference to written as well as oral communications said to have been made by the Allies subsequently to the 4th February regarding the declaration relative to the administration of justice in Turkey and the proposal to detach the economic clauses of the treaty, and, secondly, the reference to equitable arrangements already made with certain holders of concessions.

3. As Mr. Ryan was seeing Adnan Bey about other business on the 9th April, a few hours before the latter left for Angora, I instructed him to ask Adnan Bey whether he could throw any light on these passages of the note. Adnan Bey, with apparent sincerity, professed complete ignorance of what they meant. When Mr. Ryan said that I had always been under the impression that Ismet Pasha's note of the 4th February was the last written communication on either side, Adnan Bey had no answer to give. As regards arrangements with concessionnaires, he said that possibly some such

arrangements had been made with holders of concessions who were actually in Anatolia, but he was quite vague, and it was evident that he merely said this in order to say something.

I have, &c.
HORACE RUMBOLD.
High Commissioner.

Enclosure 1 in No. 80.

Adnan Bey to Sir H. Rumbold.

Excellence, *Constantinople, le 8 avril* 192-.

J'AI l'honneur, d'ordre de mon Gouvernement, de remettre à votre Excellence ci-joint, le texte de la réponse du Gouvernement de la grande Assemblée nationale de Turquie à la note que leurs Excellences les Ministres des Affaires étrangères alliés ont bien voulu adresser, en date du 21 mars dernier, au Ministre des Affaires étrangères du Gouvernement de la grande Assemblée nationale de Turquie.

Je serai reconnaissant à votre Excellence de vouloir bien transmettre cette réponse, que je viens de recevoir télégraphiquement, à son Excellence Lord Curzon of Kedleston, Ministre des Affaires étrangères du Gouvernement de Sa Majesté britannique.

Mon Gouvernement se propose de livrer demain, le 9 avril, le texte de cette note à la publicité.

Veuillez agréer, &c.
DR. ADNAN.

Enclosure 2 in No. 80.

Ismet Pasha to the Marquess Curzon of Kedleston.

Excellence, *Constantinople, le 7 avril* 1923.

LE Gouvernement de la grande Assemblée nationale de Turquie a eu l'honneur de recevoir la note que les Gouvernements de Grande-Bretagne, de France, d'Italie et du Japon ont bien voulu lui envoyer, en réponse à sa communication du 8 mars 1923.

Sans vouloir provoquer de controverses sur le point de savoir si les contre-propositions du Gouvernement turc tendent en réalité à revenir, comme le croient ces Gouvernements, encore une fois sur les questions qui auraient été considérées comme réglées dans la lettre du 4 février de la délégation turque, mon Gouvernement prend acte avec satisfaction de la déclaration des Puissances invitantes, qui font connaître qu'elles sont prêtes à discuter les points soulevés tant dans la note turque du 8 mars que dans les contre-propositions y annexées. Il pense que ces contre-propositions ne contiennent aucune modification substantielle des stipulations territoriales ni aucune autre modification de ces dernières qui ne fût ou ne puisse être équitablement admise par les Puissances alliées elles-mêmes.

Le Gouvernement de la grande Assemblée nationale de Turquie tient tout particulièrement à exprimer son contentement au sujet de l'acceptation par les Puissances d'une nouvelle rédaction de la Convention d'Etablissement en vue de reconnaître à la Turquie le bénéfice de la réciprocité. Il ne peut s'empêcher de croire que, dans le même esprit d'équité, elles prendront également en bienveillante considération les autres justes observations faites par la Turquie relativement à cette convention.

Le Gouvernement de la grande Assemblée nationale de Turquie ne peut dissimuler sa surprise de ce que les Puissances invitantes, en promettant de déployer leurs efforts pour concilier le contre-projet turc de déclaration concernant l'administration de la justice en Turquie avec le projet allié, aient manifesté la tendance de rouvrir la discussion au sujet d'une importante question qu'il considérait à juste titre comme déjà réglée d'un commun accord avec les Puissances alliées intéressées. En effet, le texte qui se trouve inséré parmi les contre-propositions turques n'est pas, à proprement parler, un projet turc; mais il est, au contraire, le résultat du maximum d'efforts déployés en commun par les délégués agissant au nom des Alliés et la délégation turque en vue de rapprocher les projets respectifs des deux parties contractantes, d'autant plus que cet arrangement, connu sous le nom de "Formule de Montagna,"

fut confirmé à maintes reprises au cours des suggestions tant orales qu'écrites des Puissances alliées qui eurent lieu les jours suivant le 4 février.

En ce qui concerne les clauses économiques, la délégation turque était convaincue que, par sa proposition de les disjoindre du traité, tout en continuant leur négociation, elle accélérait la conclusion de la paix désirée par toutes les nations. Après le départ de Lausanne, les suggestions ainsi que les communications orales et écrites des Puissances alliées nous faisaient connaître l'acceptation de cette proposition. On peut craindre à juste titre que le fait pour les Alliés de revenir encore une fois sur une acceptation déjà donnée et de demander que les clauses économiques soient discutées en même temps que le traité ne rende plus difficile la paix ou n'en retarde la conclusion.

Toutefois, la Turquie, appréciant à sa juste valeur le désir témoigné par les Puissances alliées, en vue de régler favorablement les questions économiques pendantes, ne s'oppose pas à la discussion des questions qui peuvent régulièrement faire l'objet des négociations internationales; elle a invité, comme le proposaient, d'ailleurs, les Alliés, à des négociations directes les bénéficiaires des concessions données autrefois par la Turquie et des arrangements équitables sont intervenus déjà avec une partie de ces bénéficiaires.

En se ralliant aux espoirs et souhaits des Puissances invitantes pour le succès de la conférence à reprendre à Lausanne et en se conformant au désir manifesté par celles-ci relativement au départ aussitôt que possible des représentants turcs, le Gouvernement de la grande Assemblée nationale a l'honneur d'informer les Gouvernements de Grande-Bretagne, de France, d'Italie et du Japon qu'il enverra ses délégués plénipotentiaires pour qu'ils puissent commencer les négociations avec les délégués plénipotentiaires des autres hautes parties contractantes à la date du 23 avril prochain dans la ville susmentionnée.

ISMET.

[E 3845/199/44] No. 81.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 219.)
My Lord, *Constantinople, April 11, 1923.*

WITH reference to my despatch No. 203 of the 2nd April, I have the honour to state that the internal political situation in this country continues to develop apace, although there have been no incidents so sensational as those of the 1st April and the preceding week.

2. In one particular it is necessary to correct my despatch under reference. I said in it that the Grand National Assembly had accepted the proposal for the holding of new elections in the form in which it was laid before the Assembly by the Government Party. A closer examination of the rather confused accounts of what passed shows that this was not so. The Opposition seem to have scored a point by getting the Assembly to record a "decision" that new elections should be held instead of passing a new law abrogating one already in existence. The real point at issue is still obscure, and is so technical that it is not worth while to trouble your Lordship with speculations regarding it. What can safely be affirmed is that both sides were playing for future position, and the distinction made may eventually prove to be one of considerable practical importance.

3. Having decided that new elections should be held, the Assembly went on to amend the electoral law. I enclose a translation of the new law which was passed by the Assembly on the 3rd April.* It is not intended to supersede the existing law except as regards the important points which it specifically deals with. The system of election by colleges of secondary electors is maintained, but the proportion of Deputies to the male population is fixed at 1 to 20,000 instead of 50,000 as heretofore, and that of secondary electors to the male population at 1 to 200 instead of 500. All males over 18 years of age are given the right to vote—a provision which extends the suffrage considerably. A proposal to give the vote to women does not seem to have received any support. The number of Deputies likely to be elected to the Assembly under the new system is variously estimated, but may be placed at about 400, of whom about twenty-four will sit for Constantinople.

* Not printed.

4. The last week has witnessed a growing storm of confused controversy as to what parties exist and what they stand for. As I pointed out in my despatch No. 147 of the 7th March, the Defence of Rights Association, which is associated more particularly with the name of Mustafa Kemal Pasha, has not hitherto been represented as being a political party. The fiction that it was a national organisation was maintained until a few days ago to such an extent that the Opposition elements, popularly known as the Second group, were able to represent themselves not as being a party in the Assembly, but as being a second group of the Defence of Rights organisation itself.

5. The situation was to some extent clarified on the 7th April. It was announced that at a meeting held at Reouf Bey's house the previous night it had been decided to convert the "Defence of Rights Group" into the "People's Party" and to issue a manifesto defining the party's programme in the elections. The meeting was presided over by Mustafa Kemal, and among those who attended it were Kiazim Kara Bekir Pasha, Fethi Bey, Feizi Bey and Yunus Nadi Bey. The manifesto was duly issued on the 8th April over Mustafa Kemal's signature. I enclose a French translation taken from the Stamboul newspaper.*

6. The manifesto of the People's Party has much in common with numerous similar documen's issued in this country since 1908. It of course promises measures to secure internal tranquillity, legislative reform and all the staple blessings. Its distinguishing features are, however, a very definite assertion that the national sovereignty has come to stay, and that the decision of the 1st November last to make an end of the Sultanate is irrevocable; a series of detailed promises designed to attract the popular vote and especially the agricultural vote; and more generally worded promises intended to attract the military element and the official class. The concluding passage regarding peace is also significant.

7. Concurrently with these developments the Kemalist press has manifested an increasing tendency to speak openly of the revival of the Committee of Union and Progress as one of the dangers threatening the country, to accuse the Opposition generally of being untrue to the principle of national sovereignty, and to raise the cries of "reaction" and "occult forces." The activities of Kemalist workers are widely advertised, and a bid has been made for the support of labour in Constantinople, where it is organised in the form of the old guilds or more modern associations, including various trades unions and the body, consisting largely of tramway workers, which dignifies itself with the name of Labour Party.

8. It will be observed that the persons mentioned above as being concerned with Mustafa Kemal in the launching of the People's Party comprise three, namely, Kiazim Kara Bekir, Reouf and Fethi, who have hitherto been considered dark horses, and one violent extremist, namely, Yunus Nadi, the editor of the scurrilous "Yeni Gyun" newspaper. It seems probable, especially as the meeting took place in Reouf Bey's house, that Mustafa Kemal has had to enter into certain commitments, but he certainly appears to have reconstructed his position on a fairly solid political basis, and unless he has to face serious disaffection in the army, which is possible, the People's Party ought to stand a great chance of success at the polls. As regards the army, the fact that Fevzi Pasha is not mentioned as having attended the meeting is perhaps significant, in view of recurring rumours that he has become the leader of the military malcontents. Ismet Pasha's name does not appear either, but this is more likely to be due to his desire to avoid an active rôle in party politics on the eve of the Peace Conference than to any difference of opinion between him and Mustafa Kemal.

9. The Opposition elements are hampered by their heterogeneity, and, in the case of the most coherent group among them, i.e., the stalwarts of the old Committee of Union and Progress, by the evil past of the committee. It is difficult for them to come into the open with a positive policy opposed to that of Mustafa Kemal. They are, however, active in various directions. I have heard that some of them contemplate issuing a counter-manifesto advocating the creation by the new Grand National Assembly of a second Chamber, which with the Assembly itself would form a Constituent Assembly; the elaboration by the latter of a Constitution restoring the temporal power of the throne with succession by primogeniture; the revival of a Cabinet system of executive administration; direct election; and the maintenance of Constantinople as the capital. This information reaches me indirectly from no less a person than Jahid Bey of the "Tanin." This fact invests it with importance, but I still doubt whether the Opposition dare challenge so openly the Kemalist régime, unless, again, an important section in the army can be relied on to support the challenge. The initial step would

* Not printed.

be an enormous one. If it could be taken successfully great support would be found in the country for a conservative policy in home affairs.

10. I shall be grateful if the statement attributed to Jahid Bey may be treated as confidential.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

[E 3846/199/44]

No. 82.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 220.)
My Lord, *Constantinople, April 11, 1923.*

IN continuation of my despatch No. 203, I have the honour to report some supplementary information which I have received from reliable sources with regard to the incidents which followed on the recent murder at Angora of the Deputy Ali Shukri Bey.

2. A member of the Grand National Assembly has stated that after the murder of Ali Shukri Bey, Osman Agha, feeling that he was in considerable danger, ordered his band to arrest Mustafa Kemal with the intention of holding the latter as a hostage. Mustafa Kemal, however, got wind of this and escaped with his wife in a motor-car in the nick of time. Meanwhile, the authorities had issued the necessary orders that Osman Agha's house was to be surrounded, and that he was to be captured. It is added in this connection that Mustafa Kemal gave a strong hint that Osman Agha was not to be taken alive.

3. I understand that Colonel Mougin has reported that amongst the Lazes killed with Osman Agha were five who formed part of Mustafa Kemal's bodyguard, and that Mustafa Kemal has in consequence been obliged to dissolve that force. It is reported that when Osman Agha's body was brought to Angora it was suspended head downwards from a gibbet erected in front of the Grand National Assembly. It is evident from the foregoing that Mustafa Kemal's rôle in the whole matter was very *louche*, as it is supposed that he was not ignorant of Osman Agha's intention to do away with Ali Shukri Bey. The whole incident is an eloquent commentary on present-day methods in the Nationalist capital.

4. I am also informed that the comparative luxury in which Mustafa Kemal lives at his villa outside Angora is producing a bad effect on many of the Deputies of the Grand National Assembly.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

No. 83.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 140.)
(Telegraphic.)
MY telegrams Nos. 138 and 139. *Athens, April 15, 1923.*

Speech made at Volo by Colonel Plastiras as reported in press is certainly warlike, and a good deal of publicity is being given to his visit to [? omitted: Salonica].

I have discussed the situation with French Minister. We agreed that a renewal of warlike rumours may be connected with exchange, but the present intention is doubtless to impress Turks and Europe on the eve of Lausanne Conference. It is difficult to believe that Greeks will be so insane as to attack, but, as I have frequently pointed out, no one can say in advance what General Pangalos may or may not decide.

Much will no doubt depend on interview at Salonica to-morrow between General Pangalos, Colonel Plastiras and Minister for Foreign Affairs. The latter has returned from France, where he has seen M. Veniselos and M. Poincaré, and he was, I understand, yesterday at Belgrade. Greeks will certainly have to yield to Serbia on Salonica question, and I think that the press is prepared for this.

(Repeated to Constantinople.)

No. 84.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 141.)
(Telegraphic.) *Athens, April 15, 1923.*

MY immediately preceding telegram.

Military attaché was told by head of Second Bureau that Greek General Staff had information from the usual trustworthy source that a few days ago Refet Pasha met a delegate of Bulgarian Government at Stara Zagora and reached agreement that, in case Greeks should advance into Eastern Thrace, Bulgaria would send 20,000 men to attack Greek communications in Western Thrace.

(Repeated to Constantinople and Sofia.)

No. 85.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 398.) [By Bag.]
(Telegraphic.) *Paris, April 15, 1923.*

MY telegram No. 386 of 11th April.

I have just received note from French Government stating that they have received from secretary-general of United States delegation at Lausanne a letter asking for official information as to date of resumption of Lausanne Conference, which newspapers give as 24th April, and adding that United States secretary-general has been informed by his Government that United States Minister at Berne will be present at Lausanne for the forthcoming meetings.

Note states that M. Poincaré considers that Secretary-General of the Conference should be authorised to address an invitation to United States Government, and, in view of necessity of doing so with the least possible delay, asks to be informed as soon as possible whether you agree.

Note concludes by asking whether "for the same reasons" you agree as to invitation to Belgium.

No. 86.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 245.)
(Telegraphic.) D. *Constantinople, April 16, 1923.*

YOUR telegram No. 170 to Paris.

Neither French nor Italian High Commissioner has received instructions.

I am distressed at delay, in view of danger of negotiations at Lausanne being hung up if private negotiations of companies are not expedited.

High Commissioners officially notified Salah-ed-din Adil on 15th April that Allied delegates would be at Lausanne on 23rd April. It seems most desirable that note regarding private negotiations should be despatched before proceedings there commence.

No. 87.

Consul Jeddah, to the Marquess Curzon of Kedleston.—(Received April 16.)

(No. 16.)
(Telegraphic.) *Jeddah, April 16, 1923.*

YOUR telegram No. 10.

When message was delivered ex-Sultan informed King Hussein that he would leave Mecca for Jeddah 17th April in order leave Hedjaz by first opportunity after consulting me. King cannot refuse and accompanies him, arriving 18th April. Sultan did not disclose destination.

I presume that, in the event of his deciding to proceed to Switzerland, departure should be opposed pending conclusion of arrangements for his arrival in Egypt and his onward journey thence. I should be glad if these arrangements might be studied provisionally to obviate delay when his intentions are known.

(Sent to Cairo, No. 16.)

E 3936/199/44] No. 88.

Consul Smart to the Marquess Curzon of Kedleston.—(Received April 17.)

(No. 27.)
My Lord, *Aleppo, March 31, 1923.*

M. LE COMMANDANT FOLLIET, director of the "Chemins de Fer Cilicie–Syrie du Nord," recently returned here from a visit to Mustafa Kemal Pasha, whom he met at Konia and accompanied to Adana. I asked the commandant whether it was true that, in his presence, Mustafa Kemal had, among other deputations, received deputations from Alexandretta and Antioch, bearing flags draped in sign of mourning, and had, in reply to their earnest solicitations delivered a speech, in the course of which he held out definite hopes of future reunion with Turkey. Reports, highly coloured, of this incident had been current in Aleppo.

Commandant Folliet said that these reports were exaggerated. It was true that he had been with Mustafa Kemal when the latter, in the course of his welcome by the population of Adana, had received various deputations, including those of Alexandretta and Antioch, which bore flags draped in sign of mourning. The Pasha had, however, only expressed, in his answering speech, the emotion which he said all Turks shared at the thought of their sacrificed brethren beyond the frontier.

The commandant does not understand Turkish, and it is quite possible that a tactful interpreter, in relating the speech to him, smoothed away some of the rougher edges of Mustafa Kemal's speech.

Incidentally, Commandant Folliet told me that various members of the National Assembly had, in conversation with him, deplored the necessity, for the few intelligent Deputies, of humouring the ignorant majority, which was quite out of touch with realities. It was this ignorant mass which prevented Mustafa Kemal and the intelligent Deputies from bringing about peace with Europe—a peace which was a vital necessity to Turkey. As soon as peace was signed, it would be necessary to dissolve the Assembly and "make" the elections of a Parliament more amenable to the Government. There was no other means of administering the country satisfactorily.

No doubt these statements are of the usual kind encouraged by the Turkish leaders, who find it convenient to represent themselves as ready to make concessions, but prevented from giving effect to their laudable intentions by the chauvinism of their ignorant followers. The one thing certain, however, is that the Turkish population wants peace. Commandant Folliet said that he was greatly impressed by the desolation in Caramania, which has remained entirely uncultivated owing to the absence of the peasants with the colours, and, of course, the Christian exodus.

The local Turkish attitude has during the last few months been tending to become less anti-British and more anti-French. Rumours are continually being spread in Aleppo, doubtless by Turkish or pro-Turkish elements, of transfers of Turkish troops from the Irak to the Syrian front. The Turkish press in Cilicia is frankly and violently anti-French. The Kurdish Chief, Bozan, who is a Turk and the son of Shahan Bey, as

well as a member for Urfa in the Grand National Assembly, recently passed through Aleppo, and, in conversation with Mr. Woolley, of the British Museum, said that the National Assembly was anxious for peace with both England and France, and for friendship in addition with England. Chettahs have begun again to make their appearance in the regions north-west and west of Aleppo. The elaborate "Chettah" organisation along the Turco-Syrian frontier is sometimes regarded as a measure of protection for the Turkish flank in the event of an advance on Mosul and of French co-operation with us. It is difficult, however, to reconcile this view with the regular passage of bands into Syria, and their evasion into Turkey when pursued. It would rather seem that the Chettahs are deliberately organised by the Turks in the hope of making things difficult for the French, and eventually inducing them to abandon a considerable part of Northern Syria.

These Turkish oscillations between France and England are presumably part of Turkey's immemorial game with Europe. Since the war, France has been the first dupe, and the Turks doubtless hope that we shall now be equally ingenuous.

I have, &c.

W. A. SMART

No. 89.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 17.)

(No. 404.) [By Bag.]
(Telegraphic.) *Paris, April 16, 1923.*

YOUR Lordship's telegram No. 170.

I urged M. de Peretti to inform me without delay of the reply of the French Government to the communication which I addressed to them in accordance with the instructions contained in your Lordship's above-mentioned telegram.

M. de Peretti informed me that the French Government do not wish their High Commissioner at Constantinople to intervene in the matter in any way. The French Government desire to leave these negotiations entirely to the various concessionnaires to initiate when and where they please, and they are convinced that any intervention on the part of the High Commissioners at Constantinople with the Turkish Government would only result in imperilling the success of such negotiations.

M. de Peretti was most obstinate, and all my arguments failed to make him recede from this position. He complained that all the concessionnaires concerned, both French and English, were showing a deplorable lack of initiative in the matter, and that they should long ago have proceeded to Turkey in order to begin the negotiations. He was going again to urge the French to start without further delay

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No. 90.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 17.)

(No. 405.) [By Bag.]
(Telegraphic.) *Paris, April 16, 1923.*

MY telgeram No. 398.

In accordance with instructions received this morning from your Lordship by telephone, I have informed the French Government that your Lordship agrees that an invitation should be addressed to the United States Government.

In regard to the proposed invitatfon to the Belgian delegation, I have requested the Ministry for Foreign Affairs to send me this evening a formula of the invitation which they propose to address to the Belgian Government for your approval.

No. 91.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 17.)

(No. 142.)
(Telegraphic.) R. *Athens, April 17, 1923.*

YOUR telegram No. 57.

Would there be any objection to Major Barton, representative of Save the Children Fund, sitting on international committee which is being formed by Greek Government to investigate condition of prisoners and report to International Red Cross at Geneva?

Colonel Gauthier, French representative of League of Nations, is, I am informed, participating.

No. 92.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 17.)

(No. 143.)
(Telegraphic.) *Athens, April 17, 1923.*

MY telegram No. 140

Usually well-informed [? group omitted] "Eleftheron Vima," told member of my staff that Colonel Plastiras's visit to the front was to encourage troops in view of possibility of Turks giving pretext for resumption of hostilities, which Greek Government would welcome He added, however, that Greeks had no wish to commit suicide, and would in no case advance without securing at least tacit agreement with Serbia.

(Repeated to Constantinople and Belgrade.)

No. 93.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 17.)

(No. 246.)
(Telegraphic.) R. *Constantinople, April 17, 1923*

YOUR telegram No. 125.

I regret being unable to make any definite suggestion. I have no list of Turks who went to Hedjaz, but I imagine they fall into two classes, viz., those who have played important political rôles here, like ex-Sheikh-ul-Islam, &c., and persons of no particular account who fled from terror. Latter may be able to return here eventually, but it would not be safe for them to do so until amnesty is arranged in pursuance of treaty. It seems unfortunate that these Turks should have gone to Hedjaz unless King clearly expressed readiness to receive them. Would it be possible for those in second of above classes to be readmitted to Egypt without promise of financial assistance? As for those in first class, some at least must have means, and if so would do no harm, *e.g.*, in Palestine.

No. 94.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens)

(No. 63.)
(Telegraphic.) R. *Foreign Office, April 18, 1923.*

YOUR telegram No. 142 of 17th April: Investigation of condition of returned Greek prisoners.

No objection, provided it is clearly understood that Major Barton is not in any way representing His Majesty's Government.

No. 95.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 64.)
(Telegraphic.) R. *Foreign Office, April* 18, 1923.

YOUR telegrams Nos. 138 and 139 of 14th April.

You have full discretion to deny in whatever way appears best reports of tacit consent of His Majesty's Government.

I realise that they may merely be propaganda, and desirability of taking action can only be judged by you.

No. 96.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Constantinople.)

(No. 131.)
(Telegraphic.) *Foreign Office, April* 18, 1923.

PARIS telegram No. 404 of 16th April, repeated to you in my telegrams Nos. 129 and 130.

In view of attitude of French Government, you may approach the Turkish Government as suggested in paragraph 2 of my telegram No. 170 to Paris (repeated to you, No. 120) on behalf of British companies alone.

(Repeated to Paris, No. 179 (by bag), and Rome, No. 94.)

No. 97.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Constantinople.)

(No. 132.)
(Telegraphic.) R. *Foreign Office, April* 18, 1923.

YOUR telegram No. 242 of the 15th April: Chester Concession.

Following question was asked in the House by Colonel Wedgwood on the 16th instant:—

"To ask the Prime Minister whether the Chester Concessions in Asia Minor have as yet been the subject of discussion between His Majesty's Government and the French Government; and whether we may be assured that an attitude of hostility towards these American concessions will not be adopted by His Majesty's Government."

The reply given was:

"The answer to the first part of the question is in the negative. In reply to the second part, His Majesty's Government have not yet received definite information as to the exact nature of the concessions, but it is evident that there could be no grounds for hostility to the grant of new concessions by the Turkish Government in Turkish territory except in the event of their conflicting with concessions previously granted to British subjects."

The question was put down spontaneously and therefore the reply given took the place of the statement proposed in our telegram No. 124.

(Addressed to Constantinople, No. 132; repeated to Washington, No. 133.)

No. 98.

The Marquess Curzon of Kedleston to His Majesty's Representatives at Paris (No. 180 (by bag)) and Rome (No. 95 (D)).

(Telegraphic.) *Foreign Office, April* 18, 1923.

MY telegram No. 131 to Constantinople of 18th April.

Please inform Government to which you are accredited of instructions sent to Sir H. Rumbold.

No. 99.

The Marquess Curzon of Kedleston to Field-Marshal Viscount Allenby. (Cairo).

(No. 88.)
(Telegraphic.) *Foreign Office, April* 18, 1923.

JEDDAH telegram No. 16 of 16th April: Sultan of Turkey.

In event of Sultan desiring to leave for Switzerland, His Majesty's Government do not wish him to be detained at Jeddah unless you need time to arrange for his safety and comfort while he transhipps in Egyptian territory, as presumably he must. When His Majesty's consul at Jeddah reports to you date proposed by Sultan for departure, please inform him whether you can make necessary arrangements in time or whether it is indispensable for Sultan to defer departure.

Sultan is travelling at his own expense.

Please repeat this to Jeddah.

No. 100.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received April 19.)

(No. 248.)
(Telegraphic.) R. *Constantinople, April* 19, 1923.

MY telegram No. 221.

Turkish authorities here published on 17th April official notice that Government had decided to examine and settle, on application by [group undecypherable] representatives, pending questions with all companies working in places within national boundaries of present Turkey under concessions granted by Ottoman Empire before general war

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No. 101.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 133.)
(Telegraphic.) *Foreign Office, April* 19, 1923.

YOUR telegram No. 233 of the 10th April: Chester Concession.

It is most desirable to ascertain real facts about the concession. Please endeavour to obtain a copy of the whole convention as approved by the Angora Assembly.

(Repeated to Washington, No. 136.)

No. 102.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 20.)

(No. 148.)
(Telegraphic.) R. *Athens, April* 20, 1923.

MY telegram No. 129.

I have to-day learnt by despatch from British vice-consul at Mitylene, dated 12th April, that Greek military authorities were training in island 1,400 men, mostly Circassians, with object of sending them to Asia Minor to instigate rising against Kemal. Six hundred of them were to leave in Greek destroyer "Aspis" three or four days after date of despatch.

A body of thirty-five Circassians had, he states, already been landed by same destroyer to give signal for 600 to follow.

I am drawing serious attention of Ministry for Foreign Affairs privately to this matter.

(Repeated to Constantinople.)

No. 103.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received April 20.)

(No. 251.)
(Telegraphic.) *Constantinople, April 20, 1923.*

YOUR telegram No. 131.

Delay in presenting joint note has, as reported in Sir H. Rumbold's telegram No. 248, enabled Turks to forestall Allied action and suggestions by announcing decisions to negotiate direct with individual concessionnaires concerned. In view of French attitude united Allied action is excluded. Even united group action seems improbable since Aidin Railway is already acting independently, while most other members of British group will be likely ultimately to find it in their interest to follow this example

Turkish Government, by its official notice, has given evidence of its readiness to start negotiations, though it is not stated whether these are to be carried on here or at Angora. On the other hand, I have no information as to when representative or representatives of British concessionnaires will be ready to start discussions.

In these circumstances urgency of official written communication as authorised in your telegram No. 131 would seem no longer apparent. I would prefer verbal representation on the subject with Adnan Bey, who is reported to be returning here early next week, and will be cognisant of latest views of Angora, and on whom I could urge desirability of Constantinople and importance of losing no time. Nor would, in my opinion, advantage of intervention, which seems so distasteful to French (see Paris telegram No. 404), outweigh disadvantage of action which latter may resent at opening of conference at which Allied unity is so indispensable.

I shall be glad of early instructions. I have not repeated this telegram to Lausanne, since Sir H. Rumbold is only due there on Sunday evening.

No. 104.

The Marquess Curzon of Kedleston to Field-Marshal Viscount Allenby (Cairo).

(No. 90.)
(Telegraphic.) R. *Foreign Office, April 20, 1923.*

YOUR telegram No. 114 of 10th April: Turkish refugees in the Hedjaz.

We clearly cannot expect King Hussein to keep refugees in the Hedjaz.

Colonial Office are being asked whether Palestine can receive. Meanwhile it is essential that they should return to Egypt temporarily, and I must ask you to obtain approval of Egyptian Government to their readmission without promise of financial assistance.

(Addressed to Cairo, No. 90; repeated to Jeddah, No. 12.)

[E 4035/1/44] No. 105.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 21.)

(No. 985.)

HIS Majesty's Minister at Paris presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of a note from M. Poincaré respecting the validity of the Pact of the 4th September, 1914.

Paris, April 19, 1923.

Enclosure in No. 105.

M. Poincaré to Mr. Phipps.

M. le Chargé d'Affaires, *Paris, le 19 avril 1923.*

DANS sa lettre du 1er mars dernier, son Excellence Lord Curzon avait exprimé l'opinion—et je n'avais pas été sans la partager—que de nouvelles communications sur l'application de la déclaration franco-britannique du 4 septembre 1914 étaient, dans les circonstances actuelles, sans utilité.

Votre lettre du 20 mars, dont j'ai l'honneur de vous accuser réception, vient, cependant, m'entretenir à nouveau de cette question.

Ce n'est pas sans surprise que je me suis vu attribuer par le Gouvernement de Sa Majesté des opinions que je n'ai jamais formulées.

J'ai dit et je persiste à penser qu'en cas d'impossibilité pour la France et la Grande-Bretagne de conclure collectivement un traité de paix, il n'en résulterait pas forcément le maintien de l'état de guerre avec la Turquie, et que, si l'état de paix se trouvait rétabli en fait sans la formalité d'un traité de paix, un traité intervenant dans ces conditions, non plus pour mettre fin à la guerre et rétablir un état de paix déjà rétabli, mais pour régler les intérêts de la France ou de l'Empire britannique en Turquie, n'aurait aucun rapport avec la déclaration de 1914.

Je n'ai jamais dit ni pensé que, selon les termes de son Excellence Lord Curzon, "les Alliés sont déjà en état de paix avec la Turquie et que le traité sur le point d'être conclu avec elle à la suite des négociations commencées à Lausanne n'est pas un traité de paix."

Comme j'en ai exprimé l'opinion, cette "discussion" est heureusement académique; toute discussion implique deux thèses, et, si la revendication du Gouvernement français du droit de conclure éventuellement un traité de paix séparé avec la Turquie est ainsi présentée comme académique par le Secrétaire d'État de Sa Majesté, ce dernier conviendra que la négation de ce droit par le Gouvernement britannique ne l'est pas moins.

Veuillez agréer, &c.
R. POINCARÉ.

No. 106

Acting Consul, Jeddah, to the Marquess Curzon of Kedleston.—(Received April 21.)

(No. 17.)
(Telegraphic.) *Jeddah, April 20, 1923.*

MY telegram No. 16.

I have seen the Sultan this afternoon. He is very feeble, having lost 30 lb. since his arrival at Mecca.

He said that he is anxious to leave Hedjaz as soon as possible and to reside permanently in a country both British protected and Moslem. Switzerland was too expensive, and, not being Moslem, most unsuitable for him and his family. He laid stress on consideration that he would not cause any expense to His Majesty's Government in the matter of lodging and maintenance. If Haifa out of question he would wish to go to Cyprus. He begged me for an urgent reply.

I mentioned responsibility involved to local authorities in all British Moslem possessions by Sultan's presence, and I hinted that His Majesty would do well to consider possibility of Cyprus Government feeling unable to accept such responsibility. If you can give him good reason for not wishing him to go to Cyprus he may decide, since his health makes it essential for him to change climate, to visit Switzerland for a few months.

Please reply as soon as possible.

No. 107.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 21.)

(No. 418.) [By Bag.]
(Telegraphic.) *Paris, April 20, 1923.*

APPOINTMENT of General Weygand to succeed General Gouraud in Syria is greeted with satisfaction, although some regret is expressed that so eminent a soldier is leaving the West. There is a tendency to attribute the appointment to a fear of Turkish threats on the Syrian frontier. One newspaper speaks of concentration of Turkish troops in that quarter, and there is a general idea that his appointment is due to nervousness as to Turkish designs and to uncertain state of affairs in the Near East generally.

No. 108.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received April 21.)

(No. 254.)
(Telegraphic.) *Constantinople, April 21, 1923.*

MY telegram No. 251

General manager of Smyrna-Aidin Railway Company, which has already sent local representative to Angora to open private negotiations, has received communication from Turkish Government stating its willingness to meet authorised representatives of company for discussion of pre-war concession at the time and place of meeting to be notified later.

Smyrna-Cassaba Railway has received similar notification, but it is announced in the press that tramway, electric and Heraclea mining companies have been invited by Ministry of Economy to send delegate to Angora for the same purpose. Latter have suggested to Angora that negotiations should be preferably conducted at Constantinople.

It seems to me urgent that British companies in London should confer with a view to decision as to best course for them to pursue, viz., by means of joint action as group with one authorised representative or individually through separate representative. Idea of Angora clearly appears to be individually, and it is possible that this might also suit majority of British companies.

No. 109

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 1. Confidential.)
(Telegraphic.) *Foreign Office, April 21, 1923.*

POLICY of His Majesty's Government with regard to Irak as proposed by Cabinet Committee appointed to consider matter contemplates progressive reduction of British expenditure there, and final termination of British mandatory relations within four years from ratification of Turkish Peace Treaty, British interests being subsequently maintained by conclusion of a new agreement on lines of that which was contemplated with Persia. This policy has not been finally approved by Cabinet, but is likely to be accepted by them. Meanwhile, Sir Percy Cox, who has returned to Bagdad, is anxious to announce decision. A fear has been expressed that any such announcement might react unfavourably upon present or future negotiations with the Turks about Mosul, and might encourage them in pushing their claims. Question of Mosul is excluded from your impending discussions at Lausanne, except in so far as you are instructed to attempt to reduce the year's delay before reference to League of Nations to six months. Do you fear that publication of British policy as regards Irak will in any way revive the question or cause you difficulty at Lausanne? On one hand it might be thought to encourage Turkish pretensions for immediate acquisition of Mosul. On the other hand it might abate them, owing to impression that task will be easier in four years' time

Kindly favour me with your opinion.

E 4092 1 44

No. 110.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 23.)

(No. 226.)
My Lord, *Constantinople, April 16, 1923.*

I HAVE noticed that my Allied colleagues consider that the Lausanne Conference is about to be resumed in circumstances which do not seem likely to make for the smooth progress of the negotiations. I am inclined to share their somewhat pessimistic views, which are primarily due to certain recent actions of the Nationalist Government.

2. My recent telegrams and despatches will have informed your Lordship of the deplorable effect produced on the French by the acceptance by the Grand National Assembly of the Chester concession. It is not too much to say that the French here, headed by the French High Commissioner, are exasperated by the action of the Nationalist Government. Nor has the attitude of the Turkish press, in face of General Pellé's protest against the acceptance of the Chester concession, tended to improve matters between France and Turkey. The manner in which General Pellé's protest has been commented on must have been galling to the French High Commission. The protest has, in fact, been treated with a degree of flippancy amounting to contempt. To add insult to injury, one paper went so far as to say that the inability of the French to restore their own devastated regions did not fit them for the task of the economic reconstruction of Anatolia.

3. The Turkish press has used two arguments in defence of the action of the Grand National Assembly in approving the Chester concession. These are, firstly, that that concession was not at the time formally approved by the Turkish Parliament, and, secondly, that the war, anyhow, cancelled such concessions, ignoring the fact that the Turks had received 500,000,000 fr., but had not delivered the goods. Were the Turks to maintain this second argument it would presumably affect all foreign companies holding pre-war concessions.

4. In addition to the official notification made to the Debt Council, as reported in my despatch No. 208, one of the leading papers has openly stated that the Régie concession will not be prolonged, and that the Nationalist Government will call upon the Régie Company to refund a sum of £T. 5,800,000. So much for the manner in which the actions of the Nationalist Government are calculated to injure French commercial interests to a vital extent. But this is not all. There seems little doubt, and the French admit it, that the recent movement of troops from Balikesri to Afion-Kara-Hissar is designed as a threat against Syria and as a means of bringing pressure to bear on France. M. Steeg, who has now gone to Paris to report on his recent visit to Angora, stated, on his way through Constantinople, that there was nothing to be done with the Nationalist authorities, who were hopeless people.

5. Whether from stupidity or from other motives, there is no doubt that the Turks are flouting the French in every way. The acceptance of the Chester concession proclaims the final bankruptcy of the Franklin-Bouillon policy, which seemed to enjoy the sympathies of M. Poincaré. The net result of the recent trend of Nationalist policy towards France will undoubtedly tend to stiffen the attitude of the French delegation at Lausanne.

6. Two or three days ago a telegram was received by the Reuter and Havas agencies to the effect that Turkish irregulars had seized the island of Castelorizzo and had massacred the small Italian garrison there. This report caused considerable perturbation to the Acting Italian High Commissioner, who telegraphed to the Governor of Rhodes for confirmation. The report happily turned out to be devoid of foundation.

7. I have been informed from two or three good sources that the Turks are entering the renewed conference at Lausanne in the confident expectation of obtaining all the demands that they have put forward in their counter-proposals. They have proclaimed that these counter-proposals are their last word, but anyone acquainted with the methods of the bazaar knows what value to attach to the phrase "last word."

8. The egregious Riza Nour is to be a member of the Turkish delegation, which apparently is to consist of the same experts as were present at the first conference, including Zekiai Bey, of whose attitude it was necessary to complain early in the conference. It is a pity that the Turks have included these two persons in their delegation.

9. The Grand National Assembly has voted a sum of £T. 250,000, *i.e.*, 40,000*l.* to 45,000*l.* at the present rate of exchange, for the expenses of the delegation. This is a large sum, and seems to indicate that the Turks expect the conference to last some time.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

[E 4094/217/44] No. 111.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 23.)

(No. 233.)

My Lord, *Constantinople, April 17, 1923.*

MY attention has recently been called to three articles of the Budget Law of the Angora Government for the year ending the 28th February, 1921, which deal with the external loan and the position of the Public Debt Administration in the territory then already subject to that Government. Although the provisions contained in them relate to a past financial year, they are still of interest as showing the attitude observed by the Angora Government from its inception towards the Public Debt. I therefore enclose a translation of the three articles in question with a memorandum by Sir Adam Block giving his observations on them.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

Enclosure 1 in No. 111.

Memorandum.

THE extract from the Budget Law as voted by the Chamber at Angora is dated 1921 and applied to the budget 1920–21. The translation is defective, and I append a corrected translation.

The law was enacted to explain the reason that no credit was shown in the budget for the External Debt.

The law was not communicated to the Debt Council. The latter had no hold over its revenues in Anatolia under the authority of the Angora Government, and could not intervene either in the collection of the revenues nor use them for the proper object, viz., the payment of the interest and sinking fund of the debt.

It is noticeable that the reasons for adjourning the payment of the interest and sinking fund are two :—

1. Necessity to decide the contributive parts of the succession States ; and
2. The effective re-establishment of national and financial independence.

There is no mention of the present reason for the suspension of the payments, viz., the inability to pay in the currency of the loans.

The Angora Government has progressively shown that its real object is to avoid all mention of the decree in the treaty. Its decisions and recent action make it more necessary than ever to maintain in the treaty the article on the subject.

Without it the bondholders will find themselves at the mercy of the Angora Government, and the abolition of the decree and the repudiation of the engagements solemnly entered into by the Turkish Government with its creditors will assuredly follow at no distant date.

A. B.

April 4, 1923.

Enclosure 2 in No. 111.

Extrait de la Loi de Finances des l'Exercice 1336 (1920/21) en date du 28 Février 1921 (1337).

(Traduction.)

ARTICLE 20. Le payement du capital et des intérêts des emprunts garantis par le tribut d'Egypte et par l'excédent des revenus de Chypre ; des emprunts régis par le Décret de Moubarrem ; des emprunts conclus après la promulgation dudit décret et dont le service est confié à la Dette publique ou à certains établissements financiers ; des emprunts dont le service est assuré directement par le Gouvernement ; des avances obtenues des établissements étrangers en général, ainsi que le payement des garanties kilométriques de tous les chemins de fer, sont ajournés et les crédits y afférents seront du budget général de l'exercice 1336, jusqu'à fixation et répartition des parts contributives incombant aux territoires détachés de la Turquie après la guerre balkanique et jusqu'au rétablissement effectif de l'indépendance nationale et financière.

Article 21. Les agences de la Dette publique situées dans les localités relevant du Gouvernement de la grande Assemblée nationale continueront à fonctionner, mais seront rattachées au Commissariat des Finances. Aucune atteinte ne sera portée à leur organisation ni à leurs attributions, et elles livreront régulièrement, contre reçu, leurs recettes à la Caisse centrale dudit commissariat. Leurs appointements et leurs dépenses seront payés sur les crédits qui leur seront affectés par le budget.

Article 22. L'Administration de la Régie continuera à fonctionner comme par le passé dans les localités relevant du Gouvernement de la grande Assemblée nationale et il ne sera pas porté atteinte à son organisation et à son administration.

[E 4098/199/44] No. 112.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 23.)

(No. 239.)

My Lord, *Constantinople, April 18, 1923.*

SINCE I wrote my despatch No. 219 of the 11th April there have been several developments in the internal situation in this country which, while not worth reporting in all their details, deserve to be briefly summarised. The net result of them shows that Mustafa Kemal Pasha and his supporters are determined to stick at nothing to paralyse opposition and to secure success in the elections.

2. The "Defence of Rights" organisation continues to work under that name. It is apparently intended that the transformation into the "People's party" will take place only when the new Grand National Assembly comes into being. The main objectives of the organisation during the past week have been to make sure of Constantinople, hitherto a potential stronghold of the old Union and Progress party, and to discredit the "second group"—still sometimes described as the second group of the Defence of Rights organisation itself—at Angora.

3. On the 12th April the local press published a manifesto addressed by Mustafa Kemal to the inhabitants of Constantinople. The Pasha says everything short of promising to restore Constantinople to its position as capital. He congratulates its people on their courage in adversity. He reminds them that the Defence of Rights Association has made it its object to deliver them, but that the delivrance is not yet complete. He invites their confidence in the organisation, and entreats them not to encourage the foreigner by dispersing their suffrages.

4. It is announced in the press that several of the leading lights of the Kemalist movement will be put forward as candidates for the representation of Constantinople in the new Grand National Assembly. Various measures have been taken to ensure their election, even should their personal prestige not suffice. The prefecture of the city, which has a considerable rôle to play in the supervision of the elections, has fallen under suspicion owing to the success of the Union and Progress party in securing the return of a majority of its sympathisers in the recent local elections to the Council of the Prefecture. The representatives of the council on the board charged with the supervision of the elections to the Assembly have been chosen from the minority. To make assurance doubly sure, the prefect of the city, suspected of being himself politically unsound from the Kemalist point of view, or else merely of being weak, has been dismissed. The newly arrived Governor-General of Constantinople has been appointed acting prefect.

5. The "Tanin," the one newspaper which voices, though with some caution, the views of the Union and Progress party, created a sensation on the 14th April by an article in which the editor, Jahid Bey, denied the position of his party. It did not, he said, exist officially as a party, but it had nevertheless an organisation. Its leaders had held an unofficial congress. They had before them two groups in the Grand National Assembly. There were Unionists in both groups. There were no essential differences between their principles and those of the first group, for Mustafa Kemal had carried forward with greater boldness the policy of the original Union and Progress organisation. The only point of difference had reference to the question of equilibrium between the powers of the State, which the Unionists thought it necessary to restore. They did not seek to wrest authority from the Nationalists. They had offered their collaboration to Mustafa Kemal Pasha.

6. The sting of this article lay in its attack on the Angora constitutional system and in the suggestion that the Unionists, as a party organisation, are important enough

to make terms with the rulers of Angora. If "national sovereignty" is mainly advertised as meaning the permanent abolition of the Sultanate, it is no less a cardinal principle of Mustafa Kemal and his followers that it involves the unification of all power, executive as well as legislative, in the Grand National Assembly. Any attempt to separate these powers would by them be regarded as a step towards the revival of the temporal authority of the throne. Further, if the Union and Progress party were admittedly strong enough to impose terms to-day, they might easily be strong enough to oust the Kemalist leaders altogether to-morrow. Jahid Bey's article has provoked a volley of attack on the Union and Progress party and a repudiation of the suggestion that any offer of collaboration has been made or, if made, could be accepted. Ismail Djambulat Bey, the reputed bearer of the offer, is reported to have already left Angora on his way back to Constantinople.

7. From Angora itself it was reported a few days ago that the second group were contemplating the issue of a manifesto of their own as a counterblast to that of the first group, which I summarised in my despatch under reference, and that they were expected to advocate the restoration of executive authority to the Caliph and the separation of the powers. The "Wakt" newspaper, in announcing this on the 14th April, added that the members of the second group were divided as to how much power should be given to the Caliph. On the following day it published a further telegram from Angora to the effect that rumours of activity on the part of the second group in connection with the elections were baseless, and that for some days the group's club-house had been deserted.

8. It was not until the 15th April, however, that the Kemalists brought off their greatest *coup*. On that day they secured the adoption by the Assembly of a draft law which had been laid on the table several days previously, but which the Assembly had refused to vote off-hand. This law makes it *lèse-patrie* to oppose by word, by writing or by act the decision of the 1st November last abolishing the Sultanate and asserting the indivisible sovereignty of the Assembly as sole representative of the people, or to question the legitimacy of the Assembly. This law is designed to make all opposition to the dominant faction impossible, the penalty for *lèse-patrie* being death. If applied strictly it will prevent any opposition group, whether Union and Progress or merely Conservative, from fighting the Kemalists, except by intrigue or more or less revolutionary methods.

9. Mustafa Kemal and his friends have evidently decided that their watchword must be "thorough," if they are to make sure of sweeping the country. Two members of the Angora Government have been identified with the second group. One, the Commissioner for Justice, is reported to have announced his conversion to the first group, and the report is probably true, though in some quarters it is denied. The other, the Commissioner for Religious Affairs, has been compelled to resign as a result of accusations levelled against him. A further significant feature of the situation is that the Government now appears to have no difficulty in obtaining large majorities in an Assembly which a month ago was seething with opposition. The death of Ali Shukri Bey has probably led a good many Deputies to reflect that, even in a country as liberal as Anatolia, open antagonism to the Government is apt to lead to unfortunate accidents.

I have, &c.
HORACE RUMBOLD,
High Commissioner.

No. 113.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 23.)

(No. 420.) [By Bag.]
(Telegraphic.) *Paris, April 22, 1923.*

MY telegram No. 418.

The French press, in discussing General Weygand's appointment to Syria, displays great pessimism in regard to the Near East situation.

M. Gauvain, in the "Journal des Débats," declares that French prestige in Syria has suffered greatly from the inconsistency of French policy towards Turkey. The evacuation of Cilicia, accompanied by the surrender of war material, coming as it did after the signature of M. Franklin-Bouillon's Angora Agreement,

completed the moral disaster of the French. France had now abandoned all strategic positions. Alexandretta was under the Turkish guns, and Aleppo was at the mercy of the possessors of the pipes which supplied it with water.

The "Temps" expresses satisfaction that a military High Commissioner should be entrusted with the task of dealing with the tension caused in the East by Turkish nationalism.

M. Tardieu, in the "Echo national," returns to the charge in attacking the policy of the French Government in the Near East, and recapitulates his reasons for doing so, viz., evacuation of Cilicia, flight from Chanak, abject servility at Mudania, &c. Having given everything away in order to save Syria, the French Government now saw that Syria was so far from being saved that they had to despatch thither one of their most distinguished generals, and it was against Turkish troops concentrated on the Syrian frontier that M. Poincaré was now obliged to take precautions.

No. 114.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 65.)
(Telegraphic.) R. *Foreign Office, April 23, 1923.*

YOUR telegram No. 148 of 20th April: Training of Circassians in Mitylene.

Your action approved. You will realise that proposed undertaking is a violation of the spirit, if not letter, of Mudania Convention. If information is confirmed you may think it desirable to reinforce your protest on these grounds.

(Addressed to Athens, No. 65; repeated to Constantinople, No. 135.)

No. 115.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 136.)
(Telegraphic.) *Foreign Office, April 23, 1923.*

YOUR telegram No. 251 of 20th April: Private economic negotiations

I approve your proposal to discuss matter verbally with Adnan. Representatives of companies are only awaiting decision on place and date of negotiations, and will start as soon as we can communicate this information. Please endeavour to arrange meeting at earliest practicable day

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[E 3852/1/44] No. 116.

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington).

(No. 616.)
Sir, *Foreign Office, April 23, 1923.*

I HAVE received your despatch No. 406 of the 5th April regarding the attitude of the United States representatives at Lausanne to the economic and financial clauses of the draft treaty of peace with Turkey, and, in order that your Excellency may be furnished with material enabling you to explain verbally to the State Department the extent to which their apprehensions and representations are ill-founded, I send the following observations on Mr. Dulles's memorandum.

2. There are no good grounds for the charge of inadequate opportunity of discussion having been afforded to the United States representatives. It is not the fault of the Allied Powers that the United States representatives imposed upon themselves the inevitable limitations entailed by observance of—rather than participation in—the discussions. In fact, this self-imposed status led to the United States representatives having the power to attend every meeting of committees and sub-committees and to follow all the proceedings, a power of which they always availed themselves, and to make oral or written declarations regarding any points under discussion, without

giving the committees any opportunity to reason upon or cross-examine these declarations, the wording of which was generally so involved and vague as to be not easily understood. At the same time the United States representatives and Government were taking no responsibility for the guidance of the negotiations or its results, and it was naturally expected that they would therefore have been careful to avoid doing anything to embarrass the Allies or make their already difficult task more difficult. As it happened, Mr. Childs's well-meant but often ill-timed efforts outside the conference room to influence the Turkish delegates in the direction of peace were considerably overshadowed by the private criticism of the Allies' motives and proposals, in which there is unfortunately only too good reason to believe that Admiral Bristol and Mr. Gillespie frequently indulged.

3. As a matter of fact, the Allied draft terms of peace were circulated to the United States and other delegations on the evening of Sunday, the 28th January, three days before they were officially presented to the Turks. There were few, if any, clauses in the economic and financial clauses of this treaty which had not been exhaustively discussed in the main financial and economic committee, or in its numerous sub-committees, at all the sittings of both of which the United States representatives were present. Certainly there was no point of importance in the matter of concessions or other material questions on which the Allies had not repeatedly made clear their point of view, and yet it was not until the last day of the conference—when, as had been previously announced, the British delegation were leaving Lausanne—and thus a week after the United States delegation had been in possession of the Allied text, that the United States mission made any representations to the British delegation, and then only in the form of the vaguely worded letter addressed by Mr. Childs to me on the 4th February.

4. With regard to the actual clauses mentioned in Mr. Dulles's note, the second paragraph of article 94 was, as was perfectly well understood at Lausanne, designed to validate a French concession, usually known as the Périer Loan concession, covering the construction of various railways, harbours, &c., in Turkey for which an iradé had been issued before the war by the Sultan, and for which the French Government had, as part of the concession terms, paid over a loan of 17,000,000*l.* to the Turkish Government, money afterwards used by the Turkish Government to purchase munitions to fight the Allies on whom they had wantonly declared war. It is true that the formal ratification of the Turkish Parliament had not actually been given, but it is well known that before the war such a ratification was a mere formality after an Imperial iradé had been issued. It is inconceivable that the United States Government should countenance any action which would tend to prevent one ally, after a victorious war, from providing in the treaty that the enemy State should make this just measure of reparation to the citizens of the said ally.

5. *Mutatis mutandis*, the substance of the same paragraph is covered by article 96, dealing with pre-war concessions, &c., in detached territories, because, as the United States representatives at Lausanne were well aware, the Turkish Government insisted, purely for reasons of *amour-propre*, that Governments of detached territories should accord precisely similar treatment in such territories to concessions granted before the war in those parts of the then Ottoman Empire, as the Turkish Government were asked to accord in the new Turkey, article 96 had therefore to correspond closely to article 94.

6. It is true that article 96 might in fact be found eventually to validate the Turkish Petroleum Company's concession, and this is no doubt the reason for the United States Government's hostility to the article, but the British Government have fully explained to the United States Government the reason for which they regard the claim of this company as valid, and I restated the view of His Majesty's Government on this point in the meeting of the main Political Committee at Lausanne. It must be remembered that the negotiations leading up to the Turkish Petroleum Company's concession covered a wide field, and that His Majesty's Government had actually accorded a specific advantage to the Turkish Government in the shape of their consent to certain monopolies before the Grand Vizier agreed in a note addressed on the 29th June, 1914, to the British Ambassador at Constantinople to the grant of this concession to the company. For the rest, as the State Department are aware, the company have themselves taken steps to ensure that a generous participation in the shareholding of the company should be accorded to United States oil interests. It will, however, be well that this controversial question should not be mentioned in any conversation with Mr. Dulles, unless he himself specifically raises the question as the root of the State Department's objection to article 96 But if Mr. Dulles does so, it

might be pointed out that to this day His Majesty's Government are in ignorance of the precise American interests or company which the United States Government believe to have as good a claim as the Turkish Petroleum Company's, while conflicting with the latter. Further, whereas His Majesty's Government, in the published correspondence with the United States Ambassador here have given chapter and verse for their reasons in supporting the Turkish Petroleum Company's claim, the State Department have neither mentioned the rival American firm—whose rights they are presumably supporting against those of the Turkish Petroleum Company—nor quoted the grounds on which that firm, if it exists, bases it claim.

7. The difficulty with regard to the treatment of Civil List property in detached territories as under article 65, is that an indeterminate but very large extent of land in Turkey proper, as well as in Irak and Syria, and to a less extent in Palestine, was the property of the Sultan of Turkey, when the Sultan was to all intents and purposes the Government of Turkey. These properties were administered by the Civil List, to all intents and purposes a Government department. Much of this revenue was expended on various enterprises, but only a part was set aside to provide maintenance of the various members of the Imperial family. These members had apparently no claim to any particular piece of property, but simply a claim on the Civil List revenues. Finally, after the revolution of 1908, much of this Civil List property, particularly in Irak, was transferred from the Civil List to the Ministry of Finance, and, when British forces occupied that country, almost all the properties were found to be registered in the name of the latter department. They must therefore be regarded as Turkish State property, to which the Irak Government naturally succeeds. For instance, as is shown by the opening words of the Grand Vizier's letter of the 29th June, 1914, to Sir Louis Mallet, granting the Turkish Petroleum Company the oil concession in the vilayets of Mosul and Bagdad, referred to above and quoted in the published correspondence concerning this company's concession with the United States Ambassador here, the oil deposits in these vilayets had been so transferred to the Ministry of Finance. Whether or not it is just or expedient that the Governments of these detached territories should be liable to provide from their revenues for any members of the Royal family of Turkey is a matter for consideration, but His Majesty's Government cannot be parties to any clause in the treaty which leaves the Irak Government open to vague and nebulous claims by third parties living outside Irak to portions of that State's territory or to the mineral or other rights in these territories, and the clause must therefore be so drafted as to rule out once and for all any such claims. Why the Government of the United States should show such solicitude for the members of the Turkish Royal family is not at first sight clear. It is, however, well known that some of these heirs have put forward pretensions not to payments from the Civil List, but to actual proprietary rights in properties from which the Civil List once drew its revenues, and that they have since hawked these imaginary rights on the markets of Constantinople, London and New York, meeting apparently with some success both in London and New York, to judge from the presence, at one period during the conference, in the Lausanne Palace Hotel of such individuals as Messrs. Untermeyer, Edwards and Bennett. His Majesty's Government can hardly believe, however, that the State Department can be seriously supporting the claims of these gentlemen, and they can certainly not take them into account in framing the treaty with Turkey.

8. With regard to article 97, the Allied Governments merely desired to give the Governments of the detached territories, for which in some cases they are themselves largely responsible, a permissive right to annul any concessions granted by the Turkish Government to adventurers at a time when the Turkish Government were in sore need of funds and when by the act of the Turkish Government all Allied companies and persons were excluded from competing for such concessions. It is certainly not in the intention of His Majesty's Government to annul any American concessions in detached territories granted since the 29th October, 1914, under the provisions of this article.

9. As regards article 98, His Majesty's Government are not aware of any American interests, which would be affected by the annulment of the concessions granted in Turkey since August 1914, to Germans, &c., but it may be observed that a similar article is to be found in the other treaties with enemy States (*e.g.*, article 155 of the Treaty of Versailles), and was accepted by the United States delegation in Paris at the time. It is, of course, still open to the United States representatives at Lausanne, as it was throughout the recent conference, to suggest any form of words to be added to this article in order to safeguard *bonâ fide* American rights.

10. It is not known what treaty, convention or agreement between the United States Government and Turkey could be affected by this article, nor had the Allied

Governments in drafting this clause any intention of providing for the renunciation of any such treaty, &c., by Turkey, if it exists. In this case, again, it is open to the United States representative at Lausanne to suggest a redraft of this article in a sense which would satisfy the United States Government.

I am, &c.
CURZON OF KEDLESTON.

No. 117.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 24.)

(No. 423.) [By Bag.]
(Telegraphic.) *Paris, April 23, 1923.*

M. SAUERWEIN in to-day's "Matin," which was quite recently described by M. Tardieu as one of the Kemalist official organs in France, executes a remarkable *volte-face* in regard to the Near East, especially remarkable after a would-be friendly interview with Ismet Pasha which he published in the "Matin" a couple of days ago. M. Sauerwein declares that if France does not adopt at the very outset of the Lausanne Conference a clear and independent attitude giving an impression of her strength the conference will prove to be a humiliation for her. Since the adjournment of the conference all the acts of the Angora Government had been unfriendly to France. The Turkish press had shown itself aggressive towards her, and the French had been described as a weak people who had capitulated in Cilicia and whose capitulation might be hoped for in the Ruhr. Violent anti-French demonstrations had taken place during Mustafa Kemal's journey to the Cilician frontiers; the Turks were giving vent to irredentist propaganda for Alexandretta. Ismet Pasha had not yet replied to the French protest against the Chester concession, nor had he felt it necessary to see General Pellé when he passed through Constantinople. Moreover, in the Chester agreement it was Turkey and not Admiral Chester who wished to include works already promised to the French in 1914. M. Steeg had been to Angora to offer to give up payment in sterling of the coupons of the Ottoman Debt, that is to say, 25 per cent. of the total debt of Turkey, but in spite of this concession he had failed in his mission. Would England, who had been so rough in her procedure, fortifying herself ceaselessly at Gallipoli and at Chanak, and mistress as she was of Mosul, lend France her good offices to establish harmony between Turkey and France, two countries made to esteem and understand each other? Would those good offices be gratis? That did not seem likely, judging from the following example: There were in British possession 5 millions of pounds advanced by Turkey in 1914 for warships ordered in England. Your Lordship had said at Lausanne that that sum, as was just, would be paid into the reparation account, that is to say, shared *pro rata* by those Powers who had suffered damage at the hands of Turkey. That had seemed to be agreed upon, but a month ago in London your Lordship had gone back on your word, and had insisted on keeping the 5 millions, in exchange for which no warship had been delivered. Meanwhile, the French had handed over to Turkey 500 millions of francs without any guarantee of receiving the promised concessions. Orientals admired force and business capacity, and between England, who kept their money and threatened them, and France, who wished to help them and had with undue haste allowed them to take her money, they did not hesitate; they respected England and thought they could laugh at France. France who had practiced only too long inter-Allied loyalty at the last conference, should at any rate in the beginning now act on her own account. M. Sauerwein here declares that he does not wish to advocate a policy of force, but one of clearness and dignity. Immediate explanations were necessary between France and Turkey direct without any broker.

"Pertinax," in the "Echo de Paris," declares that the second Lausanne Conference opens to-day under the most unfavourable auspices. He passes under review all the successive capitulations of the Allies to the Turks, and declares that if, as seems unfortunately likely, Mustafa Kemal and his colleagues refuse to listen to counsels of good sense and moderation it will be best to break off the conversations and to let the people of Angora know that they cannot dare everything with impunity.

M. Herbette, in this evening's "Temps," declares that he will not allow himself to be carried away by a feeling of panic. It was certainly more or less proved that

the Turks had collected in the east of Cilicia, near Osmanieh and Toprakaleh, several battalions of infantry and a certain amount of artillery. They had not yet explained these movements of troops, but they could not have any illusions as to the eventual effect of an aggressive policy. If, however, the French flag were attacked or in danger of being attacked, those who had known the French tolerant and conciliatory would not recognise France. Moreover, although France would not desire to prolong the occupation of the Straits, she none the less considered that evacuation could not take place before the entry into force of the future treaty, and a treaty of peace could clearly not be put into force if it were shown that a concentration of troops was taking place. M. Herbette proceeds to point out that it would be unjust on the one hand to force Turkey to pay reparations and on the other hand to forbid Turkey from obtaining payment from Greece. Greece would probably not pay anything to the Turks except under compulsion, and to solve this problem the Allies might substitute themselves—in part, at any rate—for the Turks as creditors of Greece. The *Entente* Powers had more efficacious means of extracting payment from Greece, where a Commission of the Debt was already functioning. This combination might be useful for all concerned, even for the Greeks, whom it would deliver from a serious peril. M. Herbette is inclined to abandon all demands for judicial guarantees for French citizens in Turkey, and considers that their real position will depend above all on the relations which will exist in the future between the French and Turkish Governments.

In conclusion, he observes that in order to preserve French interests in Turkey the following principles should be applied:—

1. Any injury inflicted on established rights should be compensated;
2. Individual initiative of Frenchmen must be adapted to the requirements and aspirations of the new Turkey; and
3. There should be no conflict between French and American citizens.

No. 118.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received April 24.)

(No. 255.)
(Telegraphic.) R. *Constantinople, April 24, 1923.*

YOUR telegram No. 136.

Adnan informs me that Turkish Government will not decide as to place or date or appointment of delegates until concessionary companies have made necessary application to Turkish Government in accordance with notification reported in Sir H. Rumbold's telegram No. 248. Applications should be addressed to competent Department (Financial, Economic or Public Works) and could be sent to Adnan for transmission. He himself would telegraph to Angora on receipt of applications.

I told him that Turkish Government were aware that companies were willing to negotiate, but apparently formality is indispensable. It could be accomplished through representatives of companies here, whom I shall notify.

I urged very strongly desirability of Constantinople and importance of losing no time. Adnan admitted force of argument and said he was himself recommending Constantinople, but could give me no assurance. He said that it was possible that Minister of Finance and Mouktar Bey might come here as Turkish delegates, but repeated that nothing could be decided until applications had been received from all foreign companies concerned. He saw no reason why negotiations should not commence at end of next week. I do not think it would be possible to arrange earlier.

I would suggest that companies in London telegraphically instruct their representatives here, if they are not already so authorised, to send in at once formal application addressed to competent Department through Adnan Bey.

If Sir H. Lamb does not undertake post of liaison officer for British companies, I propose to detach Colonel Woods for this purpose.

(Repeated to Lausanne, No. 73.)

No. 119.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 137.)
(Telegraphic.) *Foreign Office, April* 24, 1923.

YOUR telegram No. 254 of 21st April: Private economic negotiations.

British companies intend to negotiate individually through their several representatives, keeping in touch with one another through Sir H. Lamb. It is to be hoped Turks will agree that negotiations should be conducted at Constantinople, and not at Angora.

[E 4149/1/44] No. 120.

British Secretary's Notes of Semi-official Meeting held at the Hôtel du Château, Lausanne, on April 23, 1923, *at* 5·30 P.M.—*(Communicated by British Delegation (No. 1); Received at Foreign Office, April* 25.)

Present:

British Empire.	*France.*	*Italy.*
Sir Horace Rumbold (*in the Chair*).	General Pellé.	M. Montagna.
Mr. Ryan.	M. Fromageot.	M. Nogara.
Mr. Payne.	M. Bargeton.	M. Guariglia.
Mr. Waley.	M. de Percin.	M. Galli.
Mr. Forbes Adam.		
Mr. Edmonds.		

Japan.	*United States of America.*	*Turkey.*
Mr. Otchiai.	Mr. Grew.	General Ismet Pasha.
Mr. Sato.	Mr. Dolbeare.	Riza Nour Bey.
Mr. Hotta.	Mr. Belin.	Munir Bey.
Mr. Nishisawa.	Mr. Barnes.	

Roumania.	*Serb-Croat-Slovene State.*	*Greece.*
M. Diamandy.	M. Jovanovitch.	M. Caclamanos.
M. Contzesco.	M. Antitch.	M. Androulis.
M. Amal.		

SECRETARIAT-GENERAL.
M. Massigli, *Secretary-General.*

France.	*Italy.*	*British Empire.*	*Turkey.*
M. Lagarde.	M. Indelli.	Mr. Bentinck.	Tewfik Kiamil Bey.

SIR HORACE RUMBOLD opened by informing the delegates that the meeting should be regarded as semi-official. He expressed thanks on behalf of the British delegation to the Swiss Government for permitting the conference to be renewed at Lausanne and for the numerous facilities which the Swiss authorities, federal, cantonal and municipal, granted to the conference. He thanked the Turkish delegates for having undertaken the long journey from Angora to Lausanne in order to renew discussions with the Allied Powers. The last conference had lasted eleven weeks, and it was to be greatly desired that the present renewal of that conference should not test the hospitality of the Swiss Government to the same extent. On his journey from Constantinople to Lausanne he had read in a newspaper that Ismet Pasha desired to be back in Turkey for the feast of Bairam, which begins on the 24th May. He could assure his Excellency that the British delegation would do their utmost to enable Ismet Pasha to secure this object.

There was comparatively little still to be accomplished in view of the immense work which had been done between the 20th November and the 4th February. It had been decided that three committees would be formed to deal with the sections of the draft treaty still in dispute. The first committee would deal with political and

territorial matters, and would be presided over by Sir Horace Rumbold himself; the second committee would deal with financial and sanitary questions under the presidency of General Pellé; and the third committee would deal with economic questions under the presidency of M. Montagna. The work to be accomplished by these three committees was outlined in the schedule which had been distributed to the delegates (copy of this schedule is annexed). As the plenipotentiary of each of the three inviting Powers would assist at every committee meeting, no two of the committees could meet at the same time.

Sir Horace Rumbold then asked General Pellé to speak.

GENERAL PELLÉ thanked the Swiss authorities on behalf of his delegation for their hospitality to the conference. He had come to Lausanne as M. Barrère was still unwell, and M. Bompard was at the last minute unable to leave Paris; he therefore pleaded that he was somewhat inexperienced in the work of the conference. General Pellé laid stress on the solemnity of the task to be accomplished and the immense necessity for the conclusion of a speedy peace.

M. MONTAGNA thanked the Swiss Government on behalf of his delegation for their hospitality. He expressed the view that the greatest portion of the work to be done had already been accomplished, and that, in view of the great desire which had been expressed by all to conclude peace, he was sure that this object would be attained, and it was the solemn duty of all the delegates to attain this goal. He welcomed the presence of all the representatives gathered in the room.

MR. OTCHIAI thanked the Swiss Government on behalf of his delegation for their hospitality, and said that the Japanese delegation were filled with the same desire for peace as when they came to Lausanne in November last, and would collaborate with pleasure with a view to attaining this object.

MR. GREW declared that the United States of America welcomed the renewal of the conference, and expressed the opinion that the conference was being resumed on a firm basis and under good auspices. He expressed thanks to the Swiss Government for their hospitality. Mr. Grew stated that the representatives of the United States were present on the same basis and with the same objects as when the conference last met; they had not come as representatives of a belligerent Power, nor had they intention to sign the treaty, but they possessed full powers to speak on behalf of the United States and were in particular present with the object of safeguarding the legitimate interests of that country, the open door and the humanitarian aims which the American people had always sought. Mr. Grew reserved to himself the right, if occasion arose, to make a new declaration or to comment upon that which he was now making. Within the limits of their powers and functions the United States delegates were animated with a sincere desire to help the speedy conclusion of peace.

ISMET PASHA stated that Turkey was glad to see the conference resumed; he expressed the thanks of his delegation for the hospitality offered by the Swiss Government, and at the same time thanked Sir Horace Rumbold for the sentiments which he had expressed. He desired to welcome all the delegates present in the room, and hoped that the efforts which were about to be renewed would soon settle the questions in suspense. Turkey had shown, ever since the commencement of the last conference, her goodwill and desire for peace. His delegation desired no adjournment of the conference. He was convinced that, if efforts were made by all, peace would be re-established in the East, and he hoped that the other delegates would trust in the good faith of his delegation.

SIR HORACE RUMBOLD, speaking on his behalf and also, he believed, on behalf of his colleagues, took note of Ismet Pasha's statement and thanked him for the sentiments expressed therein. When Turkey was fighting, Ismet Pasha was known as a great warrior on behalf of his country; ever since the conference had begun Sir Horace Rumbold and all the other delegates had reached the conclusion that Ismet Pasha was also a great man of peace, and he firmly believed that the object desired by all would be attained.

Sir Horace Rumbold then requested M. Massigli to read out the communiqué to be made to the press, which was approved by the delegates present.

(The meeting rose at 5·50 P.M.)

Annex.

Plan de Travail.

1re *Comité.*

Articles 1er à 44 (sauf le 2e alinéa des articles 17 et 19).
Articles 134 à 151.
Convention sur la Thrace.
Déclaration sur l'amnistie.
Convention sur le Régime des Etrangers (à l'exception des articles 10 à 17) et déclaration annexe.

2e *Comité.*

Le 2e alinéa des articles 17 et 19.
Articles 45 à 70.
Articles 129 à 133.

3e *Comité.*

Articles 71 à 117.
Convention sur le Régime commercial.
Articles 10 à 17 de la Convention sur le Régime des Etrangers.

L'examen des articles 152 à 159 reste provisoirement réservé.

No. 121.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 25.)

(No. 2. Secret.) [By Bag.]
(Telegraphic.) *Lausanne, April 23, 1923.*

YOUR telegram No. 1 of 21st April: Irak.

A public announcement of the new policy will certainly, if it is made, create a stir at Angora and in the Turkish press. The reaction here will depend greatly on the form of the announcement, which will doubtless be carefully considered. Provided it is made clear that the decision of His Majesty's Government has been taken, not in order to get rid of a burden, but rather in discharge of definite responsibilities assumed by them, which responsibilities include that of launching Irak on an independent and stable existence as a new State, the effect on our proceedings here should be useful rather than otherwise.

The responsible Turkish representatives are already committed in two ways, viz., (1) they have agreed to a settlement of the Mosul question by negotiation with His Majesty's Government, and, failing an agreement, by reference to the League of Nations; (2) they have agreed to paragraph 1, though not to paragraph 2, of article 16 of draft Peace Treaty. That being so, the publication of the decision now contemplated would put us in a position to say to the Turks something like this: "We on our side are responsible for starting Irak as a new and independent State. You on your side have renounced any claim to sovereignty over that country. Our statement of future policy shows that we are approaching our task in a spirit of complete loyalty to the principles which you and we have both enunciated. One of the first conditions, however, of providing for the future stability of the new State is that its frontier with Turkey should be settled as soon as possible. We therefore suggest that this should be expedited by reducing the period allowed for our endeavouring to settle it amicably from twelve to six months." So far as the present conference is concerned, the Turks would find it difficult to reject this suggestion.

It is more difficult to forecast the effect of publication on the actual negotiations between us and the Turks regarding the frontier after article 2 of the treaty comes into force. I see no reason why it should stiffen their attitude. If anything, it may make them more inclined to be accommodating during that stage, as they will probably cherish, though of course they will not avow, the hope of readjusting four years hence any settlement unfavourable to themselves, whether effected in agreement with us or by decision of the League of Nations.

In view of the above considerations and the difficulty of concealing for any length of time either the fact that a new policy has been decided on or its general nature, I do not think that any apprehension regarding the effect on the Turkish attitude towards the Mosul question or the course of the proceedings here need deter His Majesty's Government from announcing their decision if this is considered desirable for reasons connected with the local situation in Irak.

No. 122.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 25.)

(No. 3.) [By Bag.]
(Telegraphic.) *Lausanne, April 23, 1923.*

I ARRIVED last night with General Pellé, and saw my French and Italian colleagues separately this morning, after which we three met together to decide the procedure to be followed and the division of the work of the conference.

I had suggested to General Pellé in the train that we could not do better than adopt the division of the work which had been adopted at the recent London Conference, and I suggested that we should hold a meeting this afternoon to communicate our decisions to the Turkish and other delegations. Whilst inclined in principle to agree to my suggestions, he said that he must consult his own delegation, and I found this morning that the question of who was to preside at the first sitting was exercising his mind. His delegation had evidently told him that it was the turn of the French delegate to preside at a plenary session of the conference.

I explained that there could be no plenary session of the conference in the absence of the first plenipotentiaries, and that what I had in mind was a purely business meeting at which I, as the senior Ambassador, claimed to preside. This view was subsequently accepted both by my French and Italian colleagues on the understanding that the sitting was to be termed an unofficial one.

Signor Montagna, who began by objecting to the proposed division of work, finally agreed to it. He had hoped to secure the presidency of the first commission or committee, so as to be able to deal, while in the chair, with the question of Castellorizo. But both General Pellé and I pointed out to him that it would be better to adhere as far as possible to the procedure followed at the first conference, under which the first commission was presided over by the British plenipotentiary, and so on. Any other procedure would excite the suspicion of the Turks. A full meeting of the three Allied delegations and the Japanese delegation was held in my room at 3 P.M., when I explained the programme agreed upon in the morning, and invited observations. The meeting was useful, and it was unanimously agreed that the work should be divided in accordance with the London programme. It was decided to set up three committees which will be a kind of cross between the commissions of the first Lausanne Conference and the sub-commissions of that conference, and which will do all the work. I shall preside over the first committee, which will deal with the outstanding territorial clauses and the judicial régime for foreigners. General Pellé will take the second committee, which will deal with financial and sanitary matters, while Signor Montagna will take the third committee, which deals with economic questions. It is intended to hold two sittings a day, ringing the changes on the committees, as the three Allied plenipotentiaries mean to be present at the sittings of all three committees.

In order to meet the susceptibilities of Ismet Pasha, who appears or pretends to be somewhat disconcerted at the absence of the first plenipotentiaries, we invited him and Riza Nour to a private meeting at the château at 4·30, at which we communicated our proposed procedure and division of work. He expressed himself satisfied, though he laid stress on the fact that it would be unnecessary to deal with economic matters, which were to form the subject of direct negotiations between foreign companies and the Turkish Government. He also enquired with great insistence whether the work the conference was about to undertake now would be subject to revision by another set of plenipotentiaries. We replied in the negative and reassured him on this point. We also made it perfectly clear to the Turkish delegation that there was no question of reopening discussion on articles already agreed to.

A full meeting of the conference followed at 5·15 P.M., at which I presided, and my colleagues and I took this opportunity of thanking the Swiss Government

and cantonal authorities for their renewed courtesy in facilitating the work of the conference. I also thanked the Turkish delegation for having undertaken such a long journey, and said that I knew that they were anxious to complete their labours as soon as possible, and that the British delegation would do its utmost to assist them to that end. I outlined to the conference the procedure and division of work on which we had agreed beforehand. My colleagues, the Japanese delegate and the American observer spoke to the same effect, and Ismet Pasha followed with an appropriate speech, in which he incidentally thanked the British delegation for their courtesy. I brought the proceedings to a close by remarking that the whole world expected us to achieve a rapid and successful result, and that we would do our utmost to secure this.

On the whole, I consider that we have begun in a satisfactory manner.

No. 123.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 25.)

(No. 4.) [By Bag.]
(Telegraphic.) *Lausanne, April 23, 1923.*

MY immediately preceding telegram.

Mr. Grew, the American observer, called on me this afternoon to explain that the American delegation would fill the same rôle as at the first conference of Lausanne. He added, however, that it was probable that he would take a more active part when the question of the judicial and economic régime for foreigners came to be discussed, going so far as to say that he might wish to participate directly in the negotiations. He thought that a more active intervention in these matters on the part of the American delegation would be helpful to the inviting Powers.

In the statement which he subsequently read at the full sitting this afternoon whilst emphasising that the United States were concerned to maintain the principle of the open door, he hinted at a more active participation in the proceedings of the conference.

No. 124

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 25.)

(No. 5.) [By Bag.]
(Telegraphic.) *Lausanne, April 23, 1923.*

MY general impression of Ismet's attitude, which is corroborated by what Pellé has gathered, is that Ismet is determined to get peace, as he feels that he cannot return to Angora empty-handed for the second time. Ismet struck me as being very preoccupied.

No. 125.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 25.)

(No. 428.) [By Bag.]
(Telegraphic.) *Paris, April 24, 1923.*

MY telegram No. 423.

M. Herbette, in concluding a leading article in this evening's "Temps" on the Chester Concession, observes that since it has been extended to the Samsun–Sivas line and its branches it violates rights previously granted to French citizens, and enquires whether the latter should receive back their rights or should receive compensation elsewhere. M. Herbette inclines towards compensation elsewhere, provided it be well chosen. If Turkey were to be developed commercially and

economically it was not only between Samsun and Sivas that money was to be made. If she were not to be developed it would be superfluous to struggle for a non-existent gain. In any case, it was not fitting that French interests should serve as a battering-ram to demolish American interests or Turkish aspirations, after which other interests would work at their ease on the scattered débris of the broken battering-ram and of the things which it had served to break. If the Chester Concession were to be realised in its entirety it would not be the French who would necessarily suffer thereby; it would rather be the English, the Russians and perhaps the Americans, who would have sunk their capital.

No. 126.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 26.)

(No. 6.) [By Bag.]
(Telegraphic.) *Lausanne, April 24, 1923.*

THE first committee sat this morning under my presidency.

I stated that I wished to reserve discussion of the first article of the political clauses, whilst pointing out that the addition suggested in the Turkish counter-draft would anyhow have no validity for any of the Allied Powers until they had ratified the treaty

There was a long discussion with regard to the Turkish demand that the thalweg of the Maritza should be the frontier with Greece. Ismet Pasha, who was attended by a phalanx of forbidding-looking Turks, seemed impervious to all argument on the subject, and his obtuseness and obstinacy put the patience of the Allied delegates to a severe test. As neither side would give way, we passed to the consideration of article 3. The persistence with which the Turks insisted on maintaining their addition to part I of the article showed that they wished to get the British and Italian delegations to recognise the Franklin-Bouillon Agreement in a formal manner. General Pellé loyally helped to resist this attempt on the part of the Turks, and his interventions throughout were both businesslike and effective. Ismet Pasha pressed General Pellé hard to explain why the French Government had not ratified the Franklin-Bouillon Agreement, but got no satisfaction.

I explained briefly the modification and addition to article 3 (2) of Turkish counter-proposals which His Majesty's Government would require, and I reserved the right to discuss them later with Ismet Pasha. Latter raised no objection to such discussion, and seemed inclined to admit addition regarding *status quo*.

We reached agreement on articles 5 and 12

The second committee met in the afternoon and dealt wholly with the articles relating to the debt. Agreement was reached on article 51, and article 52, referring to the Dodecanese, was reserved, as the Italians wished to discuss it privately with the Turks. Articles 45 to 50 inclusive, which are of a highly technical nature, were referred to a committee of experts set up *ad hoc* with instructions to report back to the committee in forty-eight hours. The second paragraphs in the Turkish counter-draft of articles 17 and 19 were also considered. With regard to article 17, we stated that we agreed that Turkey should be relieved of formal responsibility for the Turkish loans secured on the Egyptian tribute, but we considered that this should be done by a subsequent agreement under article 18, by which Egypt would simultaneously assume formal responsibility. As regards article 19, we explained that the Turks were wrong in supposing that the guaranteed loan of 1855 is secured on the Cyprus tribute. We intend to explain the matter privately to the Turks, and expect to be able to satisfy them.

The Allied delegates categorically rejected the new Turkish article providing that the succession States should share in any expenditure incurred by Turkey in withdrawing paper money, but I do not expect that we have heard the last of this article.

Although Ismet and Riza Nour were present, Hassan Bey conducted the proceedings for the Turkish delegation, and amused the committee by a characteristic and disingenuous statement regarding the almost entire absence of any financial advantages hitherto secured by Turkey.

No. 127.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 26.)

(No. 429.) [By Bag.]
(Telegraphic.)

Paris, April 25, 1923.

MY telegram No. 428

M. Gauvain, in the "Journal des Débats," writes in his usual pessimistic strain about the Lausanne Conference, the first two days of which justify, in his eyes, the fears expressed before it met. The Turks had not advanced a step towards the Allies, no agreement was in sight, and the adoption of the Chester scheme by the National Assembly was considered definitive. The Turkish press laughed at French susceptibilities, declared that the question was settled and that the French Government must recognise the *fait accompli*. French money invested in Turkey in 1914 had fallen into a gulf. It would be ever thus. Turkish Nationalist Governments offered no guarantees. They shamelessly disavowed one another according to the interests of the moment. Formerly the Western Powers, when their interests were endangered, made a naval demonstration, and the Sultan hastened to give them satisfaction. Nowadays, according to the new methods advocated by French Ministers, recourse must never be had to force to ensure the respect of French rights. French agents at Angora always became the advocates of the Nationalists, and, instead of enlightening their Government, constantly led it astray. The Chester scheme had been in course of preparation for a long time, and before the opening of the first Lausanne Conference it should have been thoroughly investigated; but instead of that, propaganda funds had been spent in ridiculous missions. If propaganda services, whose defects were daily denounced, were utilised in such a manner, it would be better and more fitting to suppress them.

M. de Lacretelle, the "Débats" correspondent at Lausanne, telephones from there in a highly pessimistic strain, and declares that the attitude of the Angora representatives has not changed in the least, and that whenever the Allies make any kind of concession the Turks show themselves more intransigent than ever.

No. 128.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 27.)

(No. 7.) [By Bag.]
(Telegraphic.)

Lausanne, April 25, 1923.

ARTICLES 71 to 78 were discussed in the third committee this morning.

On article 71 the Turks raised some difficulty as to including protected persons in the definition of Allied nationals, contending that there had been no protected persons since 1863. This was referred for consideration by the legal experts.

In article 72 Ismet accepted the principle of restitution of property. The reference to Turkish companies controlled by Allied subjects, which arises in the first paragraph, was deleted in this article, as this point arises in connection with concessions. Objection was raised to the date of 1st August, 1914, and it was agreed that here and elsewhere in general the 29th October, 1914, should be substituted for the 1st August. The Turks objected to the obligation to indemnify third parties injured by restitution of property, and this was referred for consideration by the Drafting Committee. The question of the settlement of disputes by the arbitral tribunal was reserved for further consideration by the Turkish delegation.

On article 73 a suggestion was made that any country which desired to exercise the rights given by this article should be required to accord similar rights to Turkey. The Turks seemed inclined to accept this, but reserved the point for further consideration.

Article 74 was accepted in principle, subject to further examination of the second paragraph by the Drafting Committee. The last paragraph of this article was reserved by the Turks in the same way as the last paragraph of article 72.

Article 75 was objected to by the Turks. Hassan Bey endeavoured to enforce the view that the Capitulations were unilateral acts and had ceased to operate in September 1914. The Allied delegations strongly repudiated this contention. No

decision was reached, but there appeared to be some indication that they would be prepared to accept a provision that taxes unpaid during the war should not be enforced provided that the requirement for repayment of taxes which were not authorised under the capitulatory régime is not insisted on.

Article 76 was reserved by the Allies on the ground that the article in its present form is not required now that reparation will be abandoned.

Article 77 was accepted.

On article 78, while the Turks stated that they would accept reciprocally the continuation of old claims in principle, they again raised their old point that the present Turkish Government is not the successor of the old Imperial Ottoman Government, and argued that the Turkish Government should not take over the whole of any liability which might have been incurred by the former Ottoman Empire. No conclusion was reached as regards this article.

The First Committee met in the afternoon and began the consideration of article 15. Previous to the meeting I had warned Ismet Pasha privately that the Italians would not give way about Castelorizo, and that the Allied delegations would support the Italian delegation in rejecting the Turkish proposal. After explaining, on behalf of the British delegation, that the Turkish proposal involved a substantial modification of the territorial clauses and was not warranted by anything in the National Pact, I called on Signor Montagna to defend his case, which he did with great vigour. In reply, Ismet relied largely on the argument that Castelorizo was within Turkish territorial waters, but the Italian delegation subsequently pointed out that, although the point of the island nearest the mainland might be just within territorial waters, the island as a whole lay outside them. The Turkish demand was categorically rejected, but the Turks said they would reserve the question.

Article 16 gave rise to much the same discussion with regard to the mention of the Angora Agreement in the treaty as had taken place yesterday. Previous to the meeting I had a private conversation with Ismet in which I made it clear that the Allied delegations could not even indirectly become parties to the Angora Agreement by agreeing to its being mentioned in the treaty. General Pellé suggested that he should prepare a paragraph to replace paragraph 2 of the Turkish counter-draft which would reassure Turkey as to the rights she is to have at Alexandretta and Antioch in accordance with the Angora Agreement.

The Turkish demand for sovereignty over Ada Kala gave rise to a most amusing discussion, the brunt of which fell on the Roumanian delegate. With the help of a legal opinion which I read regarding the status of Ada Kala and the arguments advanced by the Roumanian delegate, the Turkish claim was completely demolished. Ismet gave a very feeble explanation of the reasons for the Turkish request, which he appeared to base mainly on the fact that the Turkish Government had recently sent a cadi to officiate on the island. It subsequently transpired that the Roumanians had immediately ejected this cadi. The Turkish request was unanimously rejected by the conference, the Roumanian delegate remarking that the Roumanians would reserve the island, whilst the Turks would doubtless reserve their article. The Serbian delegate intervened to contest the Turkish claim whilst avoiding joining issue with the Roumanians on the subject.

With regard to the second part of article 19, I stated that the British delegation would be able to give the Turks a measure of satisfaction and would submit a new draft.

It was arranged that the Italians should come to a direct agreement with the Turks with regard to article 20.

Articles 21 and 25 were referred to the Drafting Committee.

The mention of the Straits in article 21 led to a statement by Ismet that if the question of the Straits came up for discussion in any way it would be necessary to secure the presence of representatives of the States bordering on the Black Sea.

I anticipate no difficulty in reaching agreement with regard to the four last-mentioned articles.

The necessity of referring such a number of articles in the financial, economic and territorial clauses to experts or to the Drafting Committee will necessarily slow down the work of the three main committees, and it is clear to my colleagues and to myself that we shall not be able to hold meetings of one or other of the committees both in the morning and in the afternoon. In fact, the pace we have set has begun to prove a little too hot

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No. 129.

Sir H. Rumbold to the Marquess Curzon of Kedleston. —(*Received April* 27.)

(No. 8.) [By Bag.]
(Telegraphic.) *Lausanne, April* 25, 1923.

MY telegram No. 2.

I propose, subject to your approval, to take up privately with Ismet at the earliest convenient moment the question of the clause relative to the Irak frontier on the basis of the Turkish draft modified by provisions for the maintenance of the *status quo*, and the reduction to six or three months of the period for negotiations between His Majesty's Government and the Turkish Government.

I presume that I should do this independently of the question of an announcement by His Majesty's Government relative to their new policy in regard to Irak. It would, however, help me to know whether such an announcement is likely to be made in the immediate future, as, in that case, the best moment to discuss the clause regarding the frontier with Ismet might be after the issue of the announcement, when I should be able to introduce the proposal for reducing the period for negotiation in the manner indicated in my telegram under reference.

No. 130.

Sir H. Rumbold (*Lausanne*) (*No.* 1) *to Mr. Henderson* (*Constantinople*).—(*Repeated to Foreign Office; Received April* 26.)

(No. 9.)
(Telegraphic.) *Lausanne, April* 26, 1923.

M. VENISELOS communicated to me this morning substance of a telegram which he had received from Athens to the effect that information had reached High Commissioners at Constantinople that Turks had forcibly opened safes belonging to private individuals in banks at Smyrna. It is estimated that a sum of 1 milliard drachmæ had been taken out of these safes.

Have you any confirmation of this information?

No. 131.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received April* 26.)

(No. 10.)
(Telegraphic.) *Lausanne, April* 26, 1923.

MY telegram No. 7.

Now that we have reviewed the whole of the territorial clauses, I anticipate that we shall without great difficulty obtain agreement on all points except two, namely, Maritza frontier and Castelorizo. Turks are unlikely to give way readily on both of these, as, however great their desire for peace, they must have something to show on credit side on their return to Angora.

If and when we reduce territorial clauses to these two points, I think we shall have to consider advisability of bargaining one against the other. In my opinion, this bargain should take the shape of agreeing to Turkish proposal that thalweg of Maritza should be the frontier in consideration of Turks giving up Castelorizo, subject, perhaps, to Italians agreeing to a form of demilitarisation. Arguments in favour of such a bargain are as follows:—

1. Veniselos clearly attaches little or no importance to Maritza question, and there would appear to be no other Allied interest involved.

2. Turkish case for thalweg is difficult to refute in any manner which would satisfy impartial world opinion

3. Italians' claim to Castelorizo is not strong, but they are in possession, and it is a point of honour with them not to give it up.

4. Christian population of island would certainly be better off under Italians than under the Turks, an argument which should appeal to M. Veniselos, notwithstanding his dislike of Italians.

I should like to have authority to proceed on above lines when the time comes. I should, of course, do nothing without a preliminary understanding with my French and Italian colleagues and M. Veniselos. It would be a question of future tactics whether to propose bargain as soon as agreement has been reached on other points in territorial clauses or to reserve it to form one of a series of simultaneous bargains on questions finally left outstanding after discussion of other parts of treaty and annexes.

No. 132.

The Marquess Curzon of Kedleston to Sir H. Rumbold (*Lausanne*).

(No. 3.)
(Telegraphic.) *Foreign Office, April* 26, 1923.

YOUR telegram No. 4 of 23rd April: American attitude at Lausanne.

Please ask M. Grew for a more precise indication of the position he intends to assume.

If he claims to take part in the negotiation, does he claim to become a party to the treaty? If not, how does he justify a claim to take part in negotiating an instrument which he has no intention of signing? This would be an unprecedented claim which it would be impossible to admit.

You should make it clear that we continue, as hitherto, to value the friendly and informal co-operation of the United States delegation, and are always glad to be acquainted with their opinions and to listen to any suggestions they may wish to make. But negotiation means settling terms with the Turks, and it is not reasonable that the United States, who have not been at war, and are not concluding peace, with Turkey, and will neither be bound by, nor have any responsibility for, the treaty, should actually claim the right to negotiate its terms.

No. 133.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received April* 28.)

(No. 12.) [By Bag.]
(Telegraphic.) *Lausanne, April* 26, 1923.

ISMET asked for an interview with me yesterday.

2. He began by referring to the paragraph which the Turks had added to article 1 regarding the evacuation by the Allied troops of Turkish territory on the ratification of the treaty by Turkey, and pressed hard to know when the Allies would notify the Turks of their intentions with regard to the evacuation of Turkish territory. He said that this is a matter to which Turkish opinion attaches very considerable importance, and he hoped that the Allied delegations would be able to discuss the question with him in two or three days' time. I said that this would be impossible, and explained the reasons for which the Allies could not accept the paragraph in question. On his insisting that the Turks must know as soon as possible how it was proposed to deal with the question of evacuation, I said that there could surely be no doubt that the Allies were anxious to evacuate Turkish territory at the earliest possible moment.

3. If the negotiations with the Turks appear likely to lead to a successful result, I think it will be necessary to deal with the question of evacuation before we separate at Lausanne

4. Ismet then referred to an allusion which had been made at the morning sitting to the question of reparations, and said that the Turks had every reason to believe that this question had been settled. He added that the Turks had the British word for it that the reparations question was settled. The Italian delegate had, in fact, made an indirect allusion to reparations in connection with one of the economic articles which we had discussed that morning. I managed to explain the matter away, but it was obvious that Ismet is very suspicious. I have already told the French and Italian delegates clearly that we cannot allow the question of reparations

to be raised again, but General Pellé tells me that he has certain instructions on the subject from his Government, and I foresee that he will propose a meeting with the experts to discuss the question.

5. I then warned Ismet that the Italians felt very strongly about Castelorizo, and would not give way on the point. I again explained the reasons for which we could not agree to accept the allusions to the Angora Treaty in the form suggested by the Turks in their counter-draft to article 3, section 1, and in article 16.

6. Ismet was evidently very worried, and said that he had hoped for support from the British delegation in economic and financial matters, but I told him at once that there was complete solidarity between the Allies in these matters.

7. The impression I derived from the conversation is that Ismet Pasha is very uneasy at being faced with the alternative of either returning without a treaty or of having to give way on certain important questions. In private his attitude is one of appeal rather than of intransigence, and would seem to reflect the more unfavourable situation in Turkey herself at the present moment and her extreme need for peace.

8. Ismet Pasha asked me to convey his respects to you.

No. 134.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 27.)

(No. 13.)
(Telegraphic.) *Lausanne, April 26, 1923.*

AT outset of meeting of third committee this afternoon unfortunate episode occurred. We had at previous meeting discussed articles 71 to 78 inclusive. As this brought us to series of clauses in which it had been agreed in London that several concessions could be made to Turks, I got my French and Italian colleagues to agree beforehand that when these concessions were not of substantial nature they should be made at once, and that we should only keep up our sleeves such of them as would be of real use for bargaining afterwards. I did this because I knew that Italian delegate's tendency is to reserve anything and everything until he gets Castelorizo question settled. I understood that article 79, which would come first in to-day's proceedings, would be dropped.

Italian delegate started meeting by disregarding article 79 altogether and proposing discussion of article 80. Ismet at once made point that he assumed omission of any reference to article 79 meant that it had been dropped. Italian delegate first insisted that it had been read through and reserved at previous meeting. This was inaccurate, as at that meeting question of reparations had cropped up incidentally in connection with an earlier article, but article 79 had not come up at all. He had to confess himself mistaken, but attempted to get out of the matter by now proposing reservation of article. Suspicions of Turks were now thoroughly aroused, and matters were made worse by floundering of Italian delegate and attempt by French delegate to maintain that article 79 could not be dropped pending consideration of Turkish redraft of article 57. This, though reasonable in itself, was not calculated to dissipate Turkish suspicions, and neither French nor Italians seemed to realise that, even if reparations question generally were reopened with Turks on basis of asking Turks to pay up equivalent of money for battleships, article 79 would still be superfluous.

I had no alternative but to ask for suspension of sitting. I then pointed out to my colleagues (1) that His Majesty's Government were not prepared to reopen reparations question with Turks, and (2) that in no case would article 79 be necessary. On this they agreed to drop article, and on resumption of sitting Italian delegate announced that Allies were prepared to do so without prejudice to other articles. This did not satisfy Ismet, who strongly insisted that reparations question had been finally settled at previous conference, and quoted French Yellow Book in support of this.

Italian delegate escaped by admitting that article 79 was definitely suppressed and saying that question of reparations, whatever its position, was beyond competence of his committee. Ismet finally accepted this, but asked that situation regarding reparations should be cleared up as soon as possible.

Effect has been to bring reparations question into prominence prematurely and to show pretty plainly that Allies are not entirely agreed about it. It will now be difficult to avoid its being raised in early future. I should therefore like instructions as to my attitude *vis-à-vis* Allies. During suspension of sitting French expert reverted to suggestion that Turks might be asked to pay amount necessary to complete reparations fund out of their debt to Germany, which has been transferred to Allies.

No. 135.

Mr. Henderson to the Marquess Curzon of Kedleston. (Received April 27.)

(No. 257.)
(Telegraphic.) R. *Constantinople, April 27, 1923.*

MY despatch No. 254.

I have now received translation of modifications of Chester Convention as approved by National Assembly.

These do not perceptibly affect scope or nature of concession.

Chief points which I noticed are that construction of certain lines in North-East Anatolia, notably Erzeroum–Bayazid–Persian frontier, is made obligatory instead of optional. Shares in Turkish company to be formed by Ottoman-American Development Company must be offered for subscription in Turkey for six months instead of one. One-quarter of the members of Council of Administration shall be nominated from amongst Moslems by Turkish Government. In article governing labour to be employed, "Turkish subject" is to be read as implying Moslem.

Copy by post to-morrow.

(Repeated to Lausanne, No. 74.)

No. 136.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 139.)
(Telegraphic.) *Foreign Office, April 27, 1923.*

MY telegram No. 133 of 19th April.

Have you yet succeeded in obtaining copy of Chester concession? In view of the persistent reports that it contains clauses under which the Turkish Government purports to grant certain rights within the borders of Irak, His Majesty's Government cannot continue passive. I request you to address to Turkish representative formal note stating that if above reports are correct, His Majesty's Government must enter an emphatic protest, and must refuse to recognise validity of any such clauses.

(Repeated to Lausanne, No. 4.)

No. 137.

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington).

(No. 147.)
(Telegraphic.) *Foreign Office, April 27, 1923.*

I HAVE as yet received no authentic information as to terms of Chester concession. But I think it only right, in order to avoid all possible misunderstandings, that State Department should be left in no doubt that if, as stated in press, concession contains clauses whereby Turkish Government grant rights in Mesopotamia, His Majesty's Government will naturally be unable to recognise their validity.

[E 4252/1/44] No. 138.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 28.)

(No. 14.) [By Bag.]
(Telegraphic.) *Lausanne, April 26, 1923.*

MY immediately preceding telegram

Article 80. This article was objected to by the Turks, Hassan Bey raising objections on the ground that it deals with *dommages de guerre* and was not therefore within the competence of the Economic Commission and the old objection that on principle the Turks will not admit in the treaty any regulation of the relations between Turkey and her nationals. He said that the concessionnaires must proceed with their negotiations. I replied that the Turkish Government must assist in this and must not delay matters by requiring the concessionnaires to proceed to Angora. The article was reserved for further discussion in connection with other articles dealing with concessions, having regard to the negotiations to be undertaken with concessionnaires.

Article 81. This article was objected to by the Turks, Hassan Bey stating that while they had no objection to the liquidation of German properties in Turkey, the Turkish Government could not agree to be bound to undertake that liquidation themselves. The article was referred to the experts for further consideration.

Article 82. This article provides for the maintenance of certain categories of pre-war contracts, and the Turks had previously objected to the inclusion of some of the classes of contracts mentioned, maintaining that they should be regarded as having been dissolved by the war. These objections were not raised at the meeting, but certain modifications of a drafting character were raised and it was agreed to refer the matter to the experts.

Article 83. This article was agreed to, but the annex referred to in the article, on which points of difficulty are likely to arise, was not discussed.

Article 84. The first paragraph was accepted by the Turks. The second paragraph, which provides for compensation being paid in respect of the dissolution of a contract for delivery of goods, the execution of which has been begun, was objected to by the Turks on the ground that both parties should have a right to compensation and not only the contractor for delivery of the goods. This point was reserved by the French for further consideration.

Article 85. This article was accepted subject to an alteration of a drafting character to be considered by the experts, and subject to a reserve as to the necessity for the consideration of matters of this kind by an arbitral tribunal

Article 86. This article was accepted by the Turks.

Article 87. This article was objected to by the Turks so far as regards the recognition of contracts entered into by the Imperial Ottoman Government since the 30th October, 1918, on the usual ground that the Angora Government is not the successor of the Imperial Ottoman Government. Hassan Bey suggested that the interests of Allied nationals can be safeguarded without any recognition of the Imperial Ottoman Government, but on being asked to indicate the manner in which these interests could be safeguarded he was not prepared to make any suggestion. It was agreed to submit the clause to economic experts, in consultation with the jurists, to devise a draft. The Allied delegates took the strongest exception to the attitude taken up by the Turkish delegation with regard to the non-recognition of contracts, &c. made between Allied subjects and the Constantinople Government

Article 88. The Turks pressed for an alteration of date to the 29th October, 1918, and the matter was referred to the experts to consider.

Article 89. The Turks objected to any prolongation for the period of the war of the time for operation of concessions and licences, Hassan Bey and Cherif Bey maintaining that there had been no interference during the war with the operation of such licences. The clause was referred to the experts to endeavour to come to some agreement.

Article 90. This article, which prevents negotiable instruments being invalidated by failure to comply with the necessary formalities of presentation, &c., owing to the war, was accepted by the Turks.

Generally speaking, the discussion on the clauses referred to above showed some indication of a desire on the part of the Turks to come to an agreement, for of their own volition they have dropped some objections which had been foreshadowed at meetings last January.

No. 139.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received April 28.)

(No. 15.)
(Telegraphic.) *Lausanne, April 27, 1923.*

YOUR telegram No. 3.

A further conversation which I have had with Mr. Grew shows that word "negotiation" which he used in our first conversation was too strong. He does not claim any right to participate in actual negotiations, but simply to take a more active part in discussions by making more frequent "declarations" on behalf of his Government and possibly commentaries as to meaning of his declarations in the hope of thus assisting inviting Powers more effectively in such questions as future safeguards for foreigners in Turkey. This is borne out by his remarks at opening of semi-official meeting of conference immediately after his conversation with me (see British secretary's note sent by bag 23rd April).

I have made position and our attitude perfectly clear to Mr. Grew, whose statement at this afternoon's meeting of first committee (see my telegram No. 16) fully bears out above interpretation of his intentions.

No. 140.

Mr. Phipps to the Marquess Curzon of Kedleston.—(Received April 28.)

(No. 436.) [By Bag.]
(Telegraphic.) *Paris, April 27, 1923.*

"PERTINAX," in "Echo de Paris," deplores Allies' decision to allow direct negotiations of private concessionnaires with Turkish Government, and considers that this will only serve to complicate matters and render solution at Lausanne less likely. He urges that unity of place should be re-established as soon as possible in negotiations with Angora. If it were desired to attain any result it was also equally indispensable to re-establish, *vis-à-vis* of Turkey, unity of action between Europe and America. Those who thought that the United States could execute the works enumerated in the Chester concession without continual intervention in Eastern affairs entertained strange illusions as to the present condition of Turkey. All follies were possible, but experience showed that with Anglo-Saxon countries follies stopped short as though by enchantment where money was concerned. The National Assembly had approved the terms of the Chester concession with the double purpose of dividing Europe from America (the latter Power being expected to render to Turkey the services formerly rendered to her by Germany), and of freeing herself from all concessions already granted to the British and French. It was to the interest of the United States to come to an agreement with the Powers which had from time immemorial sought to develop the resources of the Ottoman Empire. The Turkish Petroleum Company, directly threatened by the Chester concession, had for the past year been negotiating with American syndicates with a view to granting them a share, and those negotiations had so far failed merely because the Anglo-Persian Company, of which His Majesty's Government was the head, and which owned 50 per cent. of the Turkish Petroleum Company's shares, insisted that the Royal Dutch and the French company which was to occupy the place formerly held by Germany should set aside out of their respective percentages the share destined for the American syndicates. Was it really impossible to conclude an agreement in a spirit of equity and equality? And could that agreement not be extended to other affairs by admitting Italy to participation? "Pertinax" concludes by declaring that the only means of bringing Angora to reason is to show reserve towards the Turks so long as they remain unreasonable; to practise a more decided and considered policy, as foreshadowed by the nomination of General Weygand to Syria; to co-operate with Greece, who has on the spot useful means of pressure; and to effect a coalition of all the interests concerned, whether European or American.

The "Journal des Débats" Lausanne correspondent strongly deplores what he describes as the weakness shown by the Allies yesterday in the Economic Committee. He observes that your Lordship was often reproached with having wished to "lead" the first part of the conference, but that it would be far more dangerous for the Allies now to allow Ismet to take your Lordship's place.

No. 141.

Mr. Henderson to the Marquess Curzon of Kedleston. (*Received April 28.*)

(No. 258.)
(Telegraphic.)

Constantinople, April 27, 1923.

MY telegram No. 255

Adnan Bey has received telegram from Reouf stating that negotiations with concessionary companies must be conducted at Angora. I pressed strongly for Constantinople, but, although Adnan undertook to telegraph my objections, I doubt if he will do so, nor do I anticipate that decision, which was taken by Council of Ministers, has any chance of being reconsidered. Adnan stated all arrangements were being made for accommodation of foreign representatives, and that utmost would be done for their comfort. I gather that villas outside Angora itself will be reserved for them. He said negotiations could begin as soon as representatives arrived at Angora, and urged that they should leave as soon as possible.

Turkish argument is that affairs will be conducted more expeditiously at Angora with competent Turkish Ministers than at Constantinople, to which they could not come and where much time would be lost in correspondence. There is force in this, but I think *amour-propre* is the trouble.

I understand that representative of Italian concessionary company (there is only one, or at most two) is already here. French have about twenty-four. As I think decision respecting Angora may be taken as final, would it not be well for British and French representatives to arrange to arrive here practically simultaneously so as to cause no delays for either?

(Repeated to Lausanne, No. 75.)

No. 142.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received April 28.*)

(No. 259.)
(Telegraphic.)

Constantinople, April 28, 1923.

LAUSANNE telegram No. 1.

Turks have so far taken no forcible action in Allied banks, but are opening safes in Greek banks, after having first invited all non-Greek and non-Armenian owners to withdraw their proved property.

Acting consul-general does not suggest this is being done in improper manner, and inasmuch as banks are in ruins regards action as justifiable.

French and Italian High Commissioners have no information.

I am forwarding despatch from acting consul-general on the subject by next bag.

(Repeated to Lausanne, No. 76.)

No. 143.

The Marquess Curzon of Kedleston to Sir H. Rumbold (*Lausanne*).

(No. 5.)
(Telegraphic.)

Foreign Office, April 28, 1923

YOUR telegram No. 8 of 25th April.

Cabinet have approved the proposals with regard to future of Irak which were summarised in my telegram No. 1 of 21st April. Sir P. Cox has been instructed to communicate them to Feisal, and to consult latter as to form in which announcement shall be made in Bagdad. This is to be telegraphed home for approval, with a view to simultaneous publication in Irak and statement in Parliament here. As the delay can only be for a few days it seems on whole to be preferable that you should wait before approaching Ismet.

No. 144.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received April 29.*)

(No. 16.)
(Telegraphic.)

[By Bag.]

Lausanne, April 27, 1923.

THE first committee sat this afternoon.

We started with article 26 of the draft treaty. Although this article is closely bound up with questions which will arise later, more especially on the Convention regarding Régime des Etrangers and the Commercial Convention, Hassan Bey's statement at the meeting of the Economic Committee on 25th April (see my telegram No. 7) made it necessary to challenge the Turks at once as to what they meant by their revised draft of the article now under consideration. I opened the discussion by asking why, if the Turkish delegation considered the abolition of the Capitulations by the unilateral action of the Turks in September 1914 to be valid, they thought it necessary to have any article in the present treaty regarding their abrogation. Ismet Pasha made no direct answer, but attempted to maintain that the changes proposed by the Turks were merely matters of drafting and that the Turkish delegation had sought to establish an already admitted principle in a clearer form. The three Allied delegations were unanimous in rejecting this view of the matter. It was pointed out to Ismet Pasha that there might be room for drafting alterations, but that it must be clearly laid down that the termination of the Capitulations was to be effected by the Peace Treaty and that the object of the article was by no means to validate retrospectively the unilateral act performed by the Turks in 1914. We demonstrated that the Turkish wording would not only be open to the latter interpretation, but would also go beyond what the contracting parties had power to do, as it was not within the competence of the Allies to terminate the capitulatory régime as regards all foreigners. Ismet Pasha, though loth to show his hand, was forced to admit explicitly that the Turks regarded the abolition of the Capitulations by their own act in September 1914 as having definitely terminated them. He supplemented this by the argument that in any case the outbreak of war had terminated all treaty arrangements between the parties. He still attempted to minimise the difference between the two texts. It was pointed out to him that the practical difference would be great, as on the Turkish wording it would not only be possible to claim arrears of taxation from Allied subjects, but also to call in question decisions of Consular Courts re-established by the Powers after the armistice. Ismet replied that these matters fell to be discussed in other articles, in which special mention was made of them.

Mr. Grew intervened with a statement to the effect that the American Government could not admit that the action of the Turks in September 1914 could, in any way, affect existing international agreements. It was then agreed to refer the article to the Drafting Committee.

I think that this discussion served a useful purpose, as it will strengthen our position in discussing the material questions of arrears of taxation, judgments of Consular Courts and any other particular questions which arise elsewhere in the treaty. If we can get satisfaction in the particular articles dealing with such questions, we can afford to meet the Turks to some extent as regards the wording of article 26.

Article 27 was left for private discussion between the Turks and the French and Italians.

We then considered the recommendations of the Drafting Committee on certain earlier articles which had been referred to them. The Drafting Committee had secured agreed texts of articles 5 and 21 and the second paragraph of article 1 by making slight drafting alterations. These texts were definitely adopted. The question of the Merkeb Islands in article 12 was once more reserved as some doubt still seemed to exist regarding the identity and proper designation of the islands.

Agreement was also reached regarding the earlier portion of article 16. It was agreed to drop the second paragraph of the Allied draft and to complete the first paragraph by the addition of the words "le sort de ces territoires et îles étant réglé ou à régler par les intéressés." Ismet Pasha drew attention to the fact that the second paragraph of the Turkish draft still remained in reserve, but he made no mention of Ada Kala, which perhaps indicates that even he does not take this question seriously.

The Drafting Committee had agreed to replace the second paragraph of article 25 by the words "il demeure entendu qu'il n'est pas porté atteinte aux attributions spirituelles des autorités religieuses musulmanes." General Pellé and M. Montagna both said they wished to consider the matter further before agreeing definitely to this text. I regret this postponement as the proposed text seems to attain the object which His Majesty's Government had in view when the question first arose, and I should have liked to settle the matter out of hand.

The Turkish addition to the Thracian Frontiers Convention was next considered. M. Venizelos said he had no objection to the last three paragraphs. He thought, however, that these gave the Turks all they could legitimately ask for and that the first paragraph was unnecessary. He urged that any mixed Turco-Greek control would be a source of perpetual discord. After some little discussion between Turks and Greeks, I asked the former whether they would be satisfied with a neutral supervisor appointed by the League of Nations. Ismet did not take kindly to this suggestion at first, but eventually agreed to consider it. It was agreed to refer the matter to a small committee of experts who would examine the whole question, including my suggestion, in all its bearings.

No. 145.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 29.)

(No. 154.)
(Telegraphic.) R. *Athens, April 29, 1923.*

MY telegram No. 148.

Information in question was received from Circassian leader and confirmed by commander of Greek destroyer.

I confronted head of Political Bureau with above, and drew his attention to gravity of reports reaching me from various sources regarding despatch of Cretan and other bands leaving Piræus for Asia Minor. I addressed to him a private letter in the sense of your telegram No. 65 and asked for authoritative statement for transmission to my Government.

He again denied verbally that Greek destroyer was implicated, and promised to make immediate enquiry.

He now writes that, according to information given him by Ministry of War and Ministry of Marine, General Staff have authorised organisation of Greek, Armenian and Circassian volunteers with sole object on the one hand of reinforcing army in Thrace and on the other hand of giving work to these refugees who are all destined for Western Thrace, and not for Asia Minor.

Letter adds that Circassians in islands have been formed into bands especially to prevent their making raids on Asia Minor.

Letter makes no mention of destroyer.

(Repeated to Constantinople and Lausanne.)

No. 146.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received April 29.)

(No. 261.)
(Telegraphic.) D. *Constantinople, April 29, 1923.*

MY French colleague informs me that French naval authorities in Levant have received orders to search all French ships for contraband of war.

(Repeated to Sir H. Rumbold, No. 78.)

[E 4334/4/44] No. 147.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received April 30.)

(No. 319.)
My Lord, *Athens, April 20, 1923.*

WITH reference to your Lordship's telegram No. 57 of the 11th instant and to my despatch No. 265 of the 4th instant, I have the honour to report that Colonel Hoare Nairne, military attaché to His Majesty's Legation, visited the Greek return prisoners at the quarantine station at St. George's Island, off Piræus, on the 13th instant, and to transmit herewith a copy of his report.

2. The impression left upon one's mind after reading the report is that the statements of the men and their condition are fairly accurate, and not inspired for purposes of propaganda, as I had feared might have been the case.

3. On learning that Colonel Hoare Nairne was going to visit the quarantine station, my colleagues somewhat modified the attitude of opposition which they had at first displayed to the idea of anyone from the Diplomatic Corps proceeding thither. Several of them went themselves. The Italian Chargé d'Affaires sent his military attaché, and from the French Military Mission the Chief of Staff and the principal medical officer also proceeded to the spot to examine the prisoners.

4. The Roumanian Minister, who is old and feeble, and who has no military attaché, asked whether I would allow him to see Colonel Hoare Nairne's report. I know also that the French military attaché is anxious to see it. I should be grateful for your Lordship's permission to comply at any rate with these requests—more especially as the French military attaché was kind enough to give to Colonel Hoare Nairne a copy of his recent report on conditions at the front, and in the near future I may be driven to depend upon the courtesy of this gentleman for much of the military information which I may have to collect.

5. As regards the treatment of the Turkish prisoners in Greek hands, I have the honour to refer your Lordship to my despatch No. 202 of the 14th ultimo. I may add that a Greek banker told me yesterday that in the National Bank alone the deposits of Turkish prisoners which had been handed over to them when they left the country exceeded a total of 800,000 drachmas. This, apart from everything else, is a somewhat striking contrast to the almost destitute condition in which the Greek prisoners were returned to Greece.

6. I learn that a batch of return prisoners arrived to-day—mostly sick or with limbs amputated. The newspapers state that they are in a deplorable condition, and that several died during the voyage.

7. I am forwarding a copy of this despatch to Lausanne and Constantinople.

I have, &c.
C. H. BENTINCK.

Enclosure in No. 147.

Colonel Hoare Nairne to Mr. Bentinck.

(Secret.)
Sir, *Athens, April 14, 1923.*

I HAVE the honour to report that yesterday I visited St. George's Island to see Greek prisoners of war who had lately returned from Asia Minor.

Mr. A. J. B. Wace, director of the British School of Archæology in Athens, was kind enough to go with me. I thus had the help of an independent and accurate interpreter and also of his close knowledge of Greek character.

The Greek Government provided a motor car and a launch for the land and sea journeys.

Captain Zaimis, of the Greek General Staff, accompanied us throughout my visit.

St. George's Island is the quarantine station for the Piræus. There are a number of refugees on the island, segregated in tents or sick in the hospital. No returned prisoners are kept on the island except those who are taken into hospital sick or under observation. The station commandant, Major Politis, told me that there were seventeen returned prisoners in hospital with typhus and a number more under observation. Some of these cases had come from the last arrived ship "Aghios

Markes." There had been some deaths in hospital and eight on the "Aghios Markes," but not from typhus, which appeared to be of a comparatively mild type.

The routine of transferring returned prisoners from their ship to their homes is as follows:

The ship in which they arrive is anchored in Salamis Bay off the island. A second ship is anchored at some little distance in the bay ready to receive disinfected men. The men are brought in lighters from their ship to the island, are passed through the disinfecting sheds and are transferred to the second ship. After three days' quarantine in the second ship they are sent to a regiment at the Piræus or to the 7th Regiment at Goudi, near Athens. There they are clothed and are sent to their homes. Those who are fit, and whose classes are still serving, are given leave before returning to their depots. The rest are discharged to the reserve.

On the island the men are landed on a railed-off quay leading to the disinfecting sheds. From the disinfecting sheds they pass into a large shed, where they are vaccinated. After vaccination they fill in a paper form with particulars of their units, classes and home addresses. They then go on to another railed-off quay, where they are given a meal before being transferred to the second ship.

It was in the big shed and on the two quays that I saw the men at close quarters and conversed with as many of them as possible in the two and a half hours we spent there. It is true that I was only in contact there with a few hundred out of the 2,800 men who came from Smyrna in the ship "Aghios Markes." But I think that the men I saw there were fairly representative of the whole batch. We passed close to the "Aghios Markes" on our journeys to and from the island. Her decks and taffrails were crowded with men who seemed in no way to differ in condition from those whom I saw in the sheds and on the quays.

Captain Zaimis offered to take me to the second ship to see the men who had already passed through the disinfecting sheds; but I thought it better to see the men as they arrived from the original ship.

The "Aghios Markes" was strictly quarantined. We could not actually have gone on board without afterwards having to conform to the quarantine regulations.

Everything the men wished to take ashore had to go through the disinfecting sheds. Thus we saw them with everything they possessed.

My first impression on seeing the returned prisoners was of a crowd of thin, sun-tanned men dressed in an extraordinary variety of garments. A few still had tattered khaki; of the remainder some were in sackcloth, or in a patchwork of various materials, or even in rags. One man had only a cotton shirt and cotton drawers, nothing on his head or feet. Here and there men had long Turkish coats of strong black cotton lightly wadded; these coats were quite new, and, the men said, had been given them by the Turks just before they embarked. None of the men I examined had any undervest or underdrawers; a cotton shirt and some sort of thin jacket and breeches or trousers was their usual covering. Some were barefooted, but most of them had slippers or moccassins of some sort even if only made of sacking held together with string.

Most of the men had a blanket which they told me had been issued to them by the Greeks on the ship.

A closer inspection quickly changed the first impression induced by the men's sunburnt faces and by their obvious happiness of their release. With a few exceptions they seemed to be anæmic. There was no colour under the tan. Their arms, bared for vaccination, were wasted. There was little of either flesh or muscle on their bodies. It was difficult to understand how they could have done any ordinarily hard work in such condition. Mr. Wace and I questioned a number of men to try to find out the reason of their state. They answered questions readily, but beyond that they were not talkative. Most of the information had to be extracted by question and answer. They spoke of hardships and ill-treatment without any show of feeling, seeming to look on it as a natural and expected condition of a prisoner of war in Turkey.

The following is the general consensus of the ex-prisoners' statements:—

When they were captured the Turkish soldiers took their boots and most of their clothing, leaving them generally a shirt and a pair of drawers or trousers. The officers were separated from the men, and the men were drafted to various camps. They were overcrowded in camps and shelters. In some of the camps they were lodged under roofs, in sheds or in warehouses. In other camps the prisoners had no shelter until shelter tents were given them. In some cases the shelter tents were not given for some

weeks; one man declares that he had no shelter until December, after snow had fallen. No blankets or waterproofs were issued; but some of the prisoners had sacks, which they had been able to purloin when they were at work.

Frostbite was common.

The prisoners' work consisted generally of roadmaking or of moving ammunition. Their hours of work were approximately from sunrise to sunset. They were sometimes given a short rest in the middle of the day, but were not given a meal then. They could take bread with them if they had it.

The ration for the prisoners consisted of flour or crushed wheat and bread. Occasionally a little oil or meat was added. Beans or potatoes were issued at rare intervals. The amounts seemed to vary in different camps: about ½ lb. of flour or wheat, and from 1 lb. to 1½ lb. of bread. But in most of the camps up country the issue of bread seems to have been uncertain and irregular. The prisoners had generally to cook the flour or wheat themselves and made of it their two regular meals—one before going to work and one after returning from work. They were not always given wood to cook with. The prisoners were given beans in addition to their usual ration for a few days before they were released.

The prisoners said they were usually beaten when they were at work, but they did not complain of organised brutality of punishment in the camps.

In each camp there was a Greek or Armenian doctor for the prisoners, but he had practically no drugs. Deaths in the camps were said to be frequent, but it was impossible to arrive at a reliable estimate of the number.

The Turks seem to have kept back craftsmen, mechanics and senior non-commissioned officers.

I attach summaries of the statements of five of the men. I took the first three at random from the writing-table and from the line of men who were awaiting their turn. The last two I chose as the most prominent exceptions in the crowd of weak and emaciated men. One of these was a short, stocky, fair-haired lad named Vasilios Demos. He was in good hard condition, with a lot of muscle on his limbs and body. His clothing, besides a wadded coat given him just before embarkation, consisted solely of a cotton shirt and a pair of long canvas drawers. He had no covering either for his head or for his feet. If his statement (No. 1 attached) is true, he had to undergo at least as severe exposure and work as the other prisoners. His strong and compact physique probably had something to do with his superior power of endurance; but it is noteworthy that he alone, of all the men I questioned, spoke of having had a regular ration of bread. This suggests that the supervision of the feeding arrangements may have been better in his camp than in others and that the irregularity of the bread supply which the other ex-prisoners spoke of may have been one of the main causes of their exhaustion.

The second man whom I chose as a wealthy exception was Christos Constantaros (No. 5 statement attached), a bearded strongly-built man of 27. I found that he had spent the last 3½ months of his captivity in prison at Balikesri, under suspicion of being a Micrasiatic Greek; which in fact he was. Though thirty of his companions were hanged as traitor Ottoman subjects, he escaped by persistently declaring he came from Mitylene. The conditions in his prison seem to have been horrible. The only apparent reasons for this man having found the prison healthier than the camp were that he was sheltered from the extreme cold; he had no work, and his ration was given him regularly.

Since my visit to St. George's Island, a returned prisoner, named Petsites, has come to my office about a certificate of service as interpreter with the British forces which the Turks took from him. He looked so well that I asked him where he had been. He said he was in a camp close to Smyrna. There were 1,250 soldier prisoners and 700 civilian prisoners in the camp. They were lodged in sheds, worked from 7:30 A.M. till between 4 and 6 P.M., according to their work, with half an hour's rest in the middle of the day. They had regular rations of wheat and bread, and had two meals a day, before and after work. There was a camp doctor, but he had no medicines. I asked if all the men in his camp were as fit and healthy as he was. He said "No." He had been working at the American school in Smyrna because he spoke English, and the Americans had given him food and quinine.

The conclusion I came to was that most of the prisoners had suffered from exposure, from inadequate shelter and clothing in a severe climate, from bad or insufficient food and from long hours of work, which in the circumstances they were not fit to do. Probably many died in the camps. A considerable number of those who have returned to Greece will be permanently weakened in health. Their sufferings in the camps seem

to have been due to callous neglect rather than to active persecution. How far this neglect was planned or how far it was the outcome of Turkish laziness and incompetence it is hard to decide. To leave men without warm clothing or blankets, or even proper shelter, in an Anatolian winter is sheer cruelty which cannot be excused. On the other hand, the fact that in some instances the bread ration was regularly issued suggests that a regular ration may possibly have been provided by the higher authorities, but was reduced by theft before it reached the prisoners. But the fact that the prisoners were given beans just before leaving implies that the Turks knew they had been neglected.

The prisoners' accounts of their experiences reminded me of the lives of many of the horses and mules in the towns of Greece and some other countries as well as of Turkey: misery, pain and waste of working power caused by the ignorance and callous laziness of the owners. If the Turks wanted to obtain work from the Greek prisoners, they were quite as stupid as they were cruel in their treatment of them.

Nearly connected with the condition of the prisoners is the question of how many still survive in Asia Minor. The Greek General Staff puts the number of prisoners who were taken by the Turks as 55,000. They say that they believe only 23,000 to 25,000 are still alive, including the 10,000 which have now been repatriated.

Much depends on whether these men whom the Turks have sent back are the best or the worst, the strongest or the weakest of their prisoners. If these men are only the weaklings, there may still be large numbers in the Anatolian camps. But if the recent arrivals are the best the Turks can produce, it is certain that the mortality must have been great.

I attach at the end of the report five small photographs of returned prisoners,* taken on the quay at St. George's Island, after they had been through the disinfecting sheds and had had a bath.

I have, &c.

E. S. HOARE NAIRNE, *Military Attaché.*

ANNEX.

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(1.)

Summary of Statement by Jani Janias, Native of Pyrgos; Gunner, 1st Group Mountain Artillery.

He was in a camp near Ushak. There were 8,000 prisoners, including 1,500 civilians, in the camp. About fifty died every day (obvious exaggeration). They had shelter tents, thirty-two men in each tent. No blankets or coverings. The clothes he had on—rough Turkish jacket and drawers, cotton shirt, no vest, no boots, shreds of socks—were given him in hospital in Ushak, where he had typhus. He was forty-five days in hospital, and was well treated by a Turkish doctor, who came from Janina, and therefore liked Greeks.

Food in camp was 10 okes† flour, 10 okes crushed wheat (often mouldy) a day for 1,000 [? 100] men; 150 drams (1 lb.) of bread; oil occasionally. A very little meat once a month; beans just before he left Asia Minor. The meals were two—before and after work.

Work was from sunrise to sunset, building houses or carrying sacks of barley.

All sergeants and all craftsmen have been kept back in Asia Minor.

All Asia Minor Greeks among the prisoners were collected, and, he believed, sent to Angora.

(2.)

Summary of Statement by Kyriakos Kontzakis, Machine Gunner, 17th Regiment.

Captured near Mudania and sent to a camp at Kirk Bunar near Nicomedia. He worked at roadmaking and, for some time, loading ammunition in Brusa. Latter was heavy work. After their work the prisoners had to drag Turkish officers home in a cart. Often beaten at work.

The new shirt he had on was given him when he came away from Asia Minor.

* Not reproduced.

† 1 oke = 400 Greek drams = 2·82 lb., English.

Bread in camp was good and the ration 200 drams (1¾ lb.); but it was not always issued. Besides bread, prisoners had crushed wheat which they had to cook themselves. Occasionally they had a few potatoes and occasionally boiled beans with oil. Each 150 men had three okes (8½ lbs.) of meat at irregular intervals—sometimes twice a week, sometimes once a week, sometimes not at all.

(3.)

Summary of Statement by Nikolas Spanos, 18th Regiment; Native of Ambelokipi, Athens; 23 Years old.

This man was much emaciated. His clothing was a new wadded cotton coat, old khaki jacket, cotton shirt, ragged cotton breeches, cotton rags as putties, one sock and one bit of sacking, string and slippers.

Captured near Smyrna, sent to Eskishehr and thence to a camp at Karakeui. The prisoners had shelter tents, twenty men to each shelter. No blankets or waterproof sheets. Prisoners stole sacks from the station as coverings, but if any of the sacks were good the Turkish sentries took them for themselves. He worked from sunrise to sunset on the roads, and was constantly beaten when at work. In January his feet were frostbitten, and as he could not work he was sent to hospital at Gothi for eight days. He had to walk for four hours to the train to go to hospital. After he came out of hospital he had dysentery and was kept by the Armenian camp doctor in a camp infirmary for ten days. The doctor only gave him one powder as he had very few drugs.

Regular food was beans, lentils, and sometimes potatoes, of which he had two soup-spoonfuls of the vegetable and some of the cooked water morning and evening. The bread ration was 1 to 1½ pounds, but the issue was not regular. He had meat at rare intervals.

When he went to hospital he had only a shirt and a pair of drawers. The rest of his clothes were given him just before he came away from Asia Minor.

(4.)

Summary of Statement of Vasilios Demos, Native of Pikermi, near Tripolis; Stretcher Bearer, 4th Division; 22 Years old.

This man was selected as looking the healthiest man present. His face was fairly round and had some natural colour; arms big and body muscular. His clothing was a wadded cotton coat (given him just before embarkation), cotton shirt, long canvas drawers. Bare head and feet. He came from a camp near Ushak (not the same camp as No. 1). After capture, 5,000 men were kept in a wire cage, 200 metres round, until they were dispersed to separate camps. The Turks took their warm clothing. In his camp prisoners had no shelter until December, when the Turks gave them Greek shelter tents because men were dying. They were still in the open when the snow came.

Their food consisted of 240 drams (1·7 lb.) bread a day, given regularly; 50 drams (⅓ lb.) crushed wheat every morning and evening. They had to cook the wheat themselves, and to go barefooted on the mountains to find wood to cook with. Meat was given occasionally, but was bad and unfit to eat. Beans were given on the last few days in camp.

Demos had to work hard on mending roads and the railway, and was often beaten when working.

(5.)

Summary of Statement by Christos Constantaros, Native of Aivali, Asia Minor; Lance-Corporal, 17th Regiment of Infantry, 11th Division; 27 Years old.

This man looked fairly well.

He was taken prisoner near Mudania in September 1922. Sent to a camp at Sousoulou, between Balikesri and Panderma. In November he and a number of other prisoners were sent to prison at Balikesri on suspicion of being Asia Minor Greeks. Sixty of his companions whose Micrasiatic origin was proved were hanged at Balikesri

about the middle of December, fourteen more on Christmas Day and six later. He was three times before a court-martial, but he persisted in stating that he lived in Mitylene and the Turks failed to prove that he did not.

He was 3½ months in prison at Balikesri. Forty-one men were herded in a small room which they were not allowed to leave even for purposes of nature. He did no work. His food was practically the same as in the camp: wheat and water and ½ oke (nearly 1½ lb.) of bread a day. He was let out of prison and sent back to the Sousoulou camp three days before he was sent to Smyrna for embarkation. He was given beans twice before coming away. There was a Greek doctor in the camp, sent by the Turks. Many men died in the camp. He believed all the prisoners at Sousoulou camp have been sent back to Greece.

When he was made a prisoner the Turks took all his clothes and he had nothing but a sack. In prison he was given a coat. The rest of his clothing—cotton trousers and shirt, ragged khaki drill jacket, native slippers—were given him in Smyrna before he embarked.

Note.—The last statement sounds improbable. The Turks would hardly go out of their way to dress a man in rags just before he was to embark.)

[E 4313/194/44] No. 148.

Mr. Henderson to the Marquess Curzon of Kedleston. (*Received April 30.*)

(No. 245.)

My Lord, *Constantinople, April 23, 1923.*

I HAVE the honour to acknowledge receipt of your Lordship's despatches Nos. 262 and 276, dated the 4th and 7th instant, relative to the position of Armenians who, for various reasons, have found it necessary to leave Constantinople.

2. As a result of careful enquiry, I have established that the statements made in the first paragraph of the memorandum prepared by the Armenian national delegation in Paris are for the greater part founded on fact. As your Lordship is aware, the Christian population of Constantinople have during the armistice been enabled to travel with Allied *laissez-passer*, while, owing to the situation prevailing in the autumn of last year, a very limited number—not exceeding ten in all—of emergency passes were issued to Armenians who considered their lives to be in imminent danger owing to their close co-operation with the British and Allied authorities in Constantinople during the period of the armistice. All persons included in these two categories, as well as Ottoman Turks, who left Constantinople with special emergency passes, are considered by the present Turkish Government to have abandoned their Turkish nationality, and are refused papers by Turkish authorities abroad. For a time this refusal was extended even to the small number of Armenians who last autumn left Constantinople with passports issued in the name of the Imperial Ottoman Government, but recently instructions were issued from Angora to Turkish representatives abroad that such passports were to be recognised.

3. As regards the property of absent Christians, this has hitherto been subject to the provisions of the Abandoned Property Law of the 20th April, 1922, the text of which was enclosed in Sir Horace Rumbold's despatch No. 575 dated the 27th June, 1922. It was recently announced that the Angora Government had decided to abolish this law and to replace it by a modified form of the law on abandoned property passed by the Imperial Ottoman Government on the 13th September, 1915, *i.e.*, immediately after the Armenian deportations of that year. The text of this new law has now been issued, and I enclose a copy thereof as published in the "Information d'Orient" of the 21st instant.

4. As your Lordship will observe, the new law is much more detailed than that which it replaces, and provides for the confiscation of property transferred by its owner immediately before his departure, as well as for the examination of claims made by the owner in respect of his property. No mention is, however, now made of any reward being payable to persons giving information leading to the discovery of abandoned property, but this omission is, in fact, immaterial, as all such property has already been registered. The principal modification made in the law of 1915 is the omission of the clause providing for the handing over to Moslem refugees of any part of the property abandoned by the dispossessed Christians.

5. As regards the implication which seems to be made by Mr. Noel Buxton, M.P., that His Majesty's Government are responsible for the inability to return to Turkey of those Armenians who left Constantinople on emergency passports, I would refer your Lordship to my despatch No. 2 of the 1st January regarding compromised Turks who left Constantinople in the same manner. Both questions are on a parallel footing, and I am of opinion that in facilitating the departure of those persons who considered themselves to be in serious danger, His Majesty's Government, far from incurring a permanent responsibility in respect of their future welfare, merely discharged a moral and humanitarian obligation.

6. I am sending a copy of this despatch to Sir Horace Rumbold.

I have, &c.

NEVILE HENDERSON,
Acting High Commissioner.

Enclosure in No. 148.

Extract from the "Information d'Orient" of April 21, 1923.

LOI SUR LES BIENS ABANDONNES.

Article 1er. Conformément aux dispositions de la loi provisoire du 14 mai 1331, les biens et créances abandonnés, du fait du départ de leurs propriétaires, seront liquidés par les tribunaux, sur procès-verbaux dressés séparément pour chaque personne, par des commissions nommées à cet effet.

Art. 2. Les immeubles de rapport et les terres dont le produit revient à l'Evkaf, mais appartenant à la catégorie des personnes citées à l'article 1er seront transférés au nom de l'Evkaf. Les autres biens immeubles seront transférés au nom du Trésor. Après liquidation, le montant de la valeur estimée de chacune de ces deux catégories de propriétés sera gardé en dépôt, au nom du propriétaire, par la caisse du département au nom duquel le transfert aura été opéré.

Pour tous procès qui pourraient surgir relativement à ces biens, l'Evkaf ou le Trésor, suivant le cas, seront admis à intervenir.

Ils accepteront tous documents pouvant établir la preuve de possession, à condition que cette propriété soit considérée comme réelle. Les transferts effectués par des personnes en fuite un mois avant leur départ, ou leur prise en possession de propriété un an avant leur départ seront considérés comme nuls et non avenus dans le cas où il serait juridiquement prouvé que ces formalités ont été simulées.

Les biens immeubles abandonnés qui seront occupés, et dont les occupants ne pourront pas justifier leur présence par un acte en bonne et due forme, seront évacués par les soins du fonctionnaire municipal le plus élevé en grade, dans les quinze jours suivront la décision de la commission à leur sujet.

Art. 3. L'argent, les biens meubles, les objets en consignation et les créances des personnes citées à l'article 1er seront réunis et encaissés par le président de la commission ci-dessus ou de son représentant, et ceux des biens qui ne font pas l'objet d'un procès seront vendus aux enchères. Le montant de la vente sera versé, à la caisse de l'État en dépôt, au nom de son propriétaire.

Art. 4. Les personnes ayant des titres à la propriété des biens abandonnés ou qui prétendent en avoir doivent pour faire valoir leurs droits, s'adresser auxdites commissions dans le délai de quatre mois si elles sont en Turquie, et de six mois si elles habitent l'étranger à partir de la nomination desdites commissions. Elles doivent indiquer un domicile dans la localité où siège la commission pour toute notification possible.

Les commissions ci-dessus siégeront au maximum pendant une durée de un an à partir de la date de leur formation. Passé ce délai les procès pendants seront renvoyés devant divers tribunaux suivant leur nature.

Il est interdit aux juges de prononcer une sentence sans entendre le serment du défendeur.

Les jugements par défaut qui n'auraient pas été entièrement exécutés seront considérés comme nuls et non avenus, et les plaignants seront libres de poursuivre leur procès conformément à la présente loi.

Ces commissions pourront fonctionner pendant un an. A l'expiration de ce délai, les questions qui n'auraient pas encore été solutionnées seront soumises aux tribunaux et départements compétents selon leur nature.

Art. 5. Les commissions examineront l'essence de toute créance et de toute dette : elles enregistreront celles qu'elles jugeront fondées, et après avoir référé au tribunal les procès relatifs aux biens abandonnés, elles dresseront pour chaque individu des procès-verbaux séparés, dont une copie légalisée sera affichée. L'original, accompagné des pièces y afférentes sera remis au procureur général.

Le procureur général remettra à son tour lesdites pièces au tribunal de premier instance.

Les créanciers pourront, dans un délai de quinze jours, à partir de la date d'affichage, faire valoir leurs réclamations par-devant le tribunal compétent.

A l'expiration du délai de quinze jours, le tribunal procédera aux enquêtes légales, en présence du procureur, et, s'il s'est élevé des objections, il convoquera d'urgence le demandeur, ainsi que le président de la commission ou son adjoint, et après avoir entendu les objections faites et apporté les modifications qu'il aura jugé nécessaires, rendra son verdict au sujet de chaque procès-verbal qu'il remettra ensuite à la commission pour être exécuté.

Ces jugements ne seront passibles ni d'appel, ni de cassation.

Art. 6. Le paiement, conformément aux sentences rendues, des dettes privilégiées et non privilégiées des débiteurs sera effectué en donnant la priorité aux dettes privilégiées, par les soins des commissions de liquidation, et au cas où celles-ci auront cessé de fonctionner, par les bureaux exécutifs.

Art. 7. Les saisies conservatoires pratiquées par les tribunaux sur les biens abandonnés, avant la publication de la présente loi seront nulles et non avenues. Les procès en cours seront soumis aux dispositions de cette loi. Les saisies exécutoires seront effectuées conformément aux dispositions de la loi.

Les actions en cours introduites des personnes absentes seront poursuivies par le Trésor conformément à la procédure générale.

Art. 8. Le mode de constitution des commissions sera déterminé par un règlement spécial.

Les présentes modifications seront appliquées également à la loi précitée du 13 septembre 1331 relative aux biens mobiliers et immobiliers, ainsi qu'aux dettes et créances des personnes disparues ou parties d'une façon ou d'une autre, enfuies en pays étranger ou occupé.

La loi du 20 avril 1338 sur les biens abandonnés est abolie.

La présente loi entre en vigueur à partir de la date de sa publication.

[E 4315/199/44] No. 149.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received April 30.)

(No. 248.)

My Lord, *Constantinople, April 24, 1923.*

AS anticipated in Sir Horace Rumbold's despatch No. 239 of the 18th instant, the effect of the recent adoption of the modification of the Treason Law by the Grand National Assembly seems effectively to have stifled all opposition to Mustafa's Kemal's party in the preparations for the forthcoming elections.

2. During the past week the "Second Group," which the Kemalist organisation has made such efforts to discredit, has shown little sign of life, while a recent telegram from Angora states that its headquarters are deserted and the group dissolved. In the case of the Union and Progress party, the effect has been little less marked, and the organ of the party has been endeavouring to cloak its retirement from the electoral contest with high-sounding phrases regarding the necessity for solidarity at the present delicate juncture. The return empty-handed to Constantinople of Ismail Djambolat Bey, to whose mission reference was made in paragraph 6 of Sir Horace Rumbold's despatch under reference, has been followed by a declaration by Kemal Bey, Minister of Ravitaillement in the Committee of Union and Progress Government during the war, to the effect that the party has withdrawn in order to avoid any division in the country before the conclusion of peace, and that it has taken a definite decision to remain absolutely neutral. This attitude will not, however, I imagine, prevent the Unionists from endeavouring to smuggle some at least of their adherents into the new Assembly under the guise of Kemalists.

3. Meanwhile the dominant party is losing no time in pushing forward its preparations. Nominations will not be completed until the end of the month of

Ramazan, which commenced on the 17th instant, but it is clear that there will be no dearth of candidates, as it is stated that over 8,000 persons, including 700 for Constantinople alone, have already applied for nomination to the organisation of the "Defence of Rights" party. This plethora of candidates prompted the Turkish paper "Ileri" to suggest on the 21st instant that, as the majority of these budding candidates were in search of employment, it would be well to provide that all Deputies should have some sort of profession, as otherwise the new Assembly would be composed exclusively of ex-Government officials!

4. It has hitherto been difficult to forecast the attitude of the non-Turkish elements towards the elections, but this is now becoming clearer. With treason and death as the price of opposition, they have been left little latitude in their choice, and it is reported that, as was to be expected, all Christians remaining in Anatolia have decided to participate on the side of the "Defence of Rights" party.

5. As regards Constantinople itself, some doubt still exists as to the line which will be adopted by the Greek population, who are awaiting advice from their Patriarchate. Present indications point, however, to their probable complete abstention.

6. The Jewish and Armenian communities have, on the other hand, decided on the recommendation of their religious leaders to give their support to the Kemalist candidates. At one time it was proposed that at least two leading Jews should invite the suffrages of the electors. Influenced no doubt by a declaration by the new Vali, Haidar Bey, to the effect that the non-Turkish elements would be unable to obtain majorities sufficient to secure the election of any of their own candidates unless they collaborated with the Turkish population, it is now understood that this proposal has been abandoned.

7. The position of the Armenian community was clearly defined on the 20th instant, when the local press published the text of a telegram addressed in the name of the Armenians of Constantinople to Mustafa Kemal Pasha stating that the Armenians, like all the children of the Fatherland, would take part in the elections and would give their votes to the candidates of the "Defence of Rights" party. This telegram was signed by the president of the Lay Council of the Armenian Patriarchate and by another member of the same council, M. Kerestedjian, who is at the same time president of the Armeno-Turkish Rapprochement Committee, the formation of which was reported in my despatch No. 33 of the 16th January last.

8. In adopting this attitude the Armenian Patriarchate and community are merely pursuing the policy which they have followed with little apparent success since the departure of Mgr. Zaven in December last, and which has for its object the removal of difficulties with the present Turkish Government, the recognition of the Patriarchate and the resumption of official relations between the Patriarchate and the Government. A further example of this endeavour to placate was afforded on the 23rd instant (which, as the anniversary of the opening of the Grand National Assembly at Angora, has been made into a national holiday), when by order of the Patriarchate the offices of the Patriarchate as well as all Armenian schools and institutions were closed and beflagged in honour of the national fête. I learn, moreover, that the above committee recently proposed to send at an early date to Angora an Armeno-Turkish delegation for the purpose of discussing questions affecting the Armenians of Constantinople. On their approaching the local Nationalist authorities, the promoters were, however advised to do nothing pending the conclusion of the elections.

9. I am sending a copy of this despatch to Sir Horace Rumbold.

I have, &c.

NEVILE HENDERSON,

Acting High Commissioner.

[E 4318/1/44] No. 150.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received April 30.)

(No. 252.)

My Lord, *Constantinople, April 24, 1923.*

I HAD the honour to report by telegraph to-day the result of my interview with Adnan Bey in regard to the arrangements for the commencement of the direct negotiations between the Turkish Government and foreign concessionary companies.

2. Adnan Bey returned from Angora three days ago, and I asked him what impressions he had gathered there. He said that he had found Ismet Pasha still

greatly upset over the misunderstandings which had arisen in connection with the Montagna formula. Ismet was, he said, an honourable man. He had honestly believed that all the Allies had been willing to accept that formula, and had in fact been told so by MM. Montagna and Bompard, who had specifically declared that they were putting it forward in the name of the three allies. I told Adnan that I was willing to believe that Ismet had been misled through no fault of his own, that it was most unfortunate that he had been, but that no blame could be laid on His Majesty's Government. Sir H. Rumbold had given him the facts of the case, and there was nothing more to be said except to repair a misunderstanding which had had regrettable results.

3. I venture to mention the above as it shows that the Montagna formula snake, though scotched, is not yet definitely killed, and may yet be produced again at Lausanne as a grievance by Ismet, who probably got a good deal of credit at Angora for having, as he said, induced the Allies to accept such a formula. Adnan, in fact, admitted to me that he regarded the Montagna formula as very satisfactory. I told him that I had no doubt he did so, but that it was not so regarded by my Government nor, as he knew well, by myself, as judicial guarantees were one of the points on which he and I had always fundamentally disagreed. Adnan said rather plaintively that the question of judicial safeguards could not be made into a *casus belli*. I said that I trusted not, but that I did not think your Lordship would be willing to defend a treaty which you had been so largely responsible for negotiating and in which the personal liberties of British subjects in Turkey were so inadequately protected against what was admittedly at present a defective judicial system. I had only been back in Constantinople for a fortnight, but I had noticed in three or four Turkish Nationalist papers references to the unsatisfactory nature of that system. If the Turks themselves felt that way, it was scarcely surprising that foreigners should feel it even more strongly. Adnan thereupon referred to the new law which was passed some two months ago by the Assembly in regard to the respect for personal liberty. He quoted the case of two kaimakams (Deputy Governors) who had already been punished for offences against this law as proof of good Turkish intentions. He also argued that the Turkish insistence on their sovereign rights was not directed against British subjects—who were few in number and well behaved—but against the Italians in Constantinople, who were numerous and undisciplined, many of them being ordinary labourers, and yet M. Montagna had put forward his formula. I told Adnan that I fully realised that the question of judicial guarantees would probably prove one of the most thorny points to solve at the conference, but that His Majesty's Government did not intend to leave British subjects without adequate protection.

I have, &c.

NEVILE HENDERSON,
Acting High Commissioner.

[E 4471/1/44] No. 151.

Memorandum communicated by Count de Saint-Aulaire.

M. POINCARÉ vient de faire savoir à l'Ambassadeur de France que le représentant britannique à la Conférence de Lausanne avait reçu de son Gouvernement l'instruction de ne pas laisser réouvrir la question des réparations.

Le Gouvernement français pensait qu'après s'être refusé à ratifier le projet d'abandon des 5,000,000 de livres, arrêté d'un commun accord en février dernier à Lausanne par les délégations britannique et française, le Gouvernement de Sa Majesté donnerait tout son appui au Cabinet de Paris lorsque celui-ci demanderait des réparations à la Turquie.

L'abandon des 5,000,000 de livres ne laisse, en effet, pour indemniser les ressortissants alliés, que la somme de 5,000,000 de livres sterling provenant de Berlin et de Vienne, dont l'insuffisance rend nécessaire le reversement d'une somme complémentaire de 7,000,000 de livres sterling.

Dans ces conditions, M. Poincaré a invité le Comte de Saint-Aulaire à effectuer auprès du Gouvernement britannique une demande très pressante pour que Sir Horace Rumbold soit autorisé à soutenir le point de vue français en matière des réparations.

Ambassade de France, Londres,
le 26 avril 1923.

No. 152.

Sir H. Rumbold to the Marquess Curzon of Kedleston. —(*Received April* 30.)

(No. 17.) [By Bag.]
(Telegraphic.) *Lausanne, April* 28, 1923.

DISCUSSION of the economic clauses was resumed in the third committee this morning.

Article 91. The Turkish delegation objected to the revision of the judgments of their national tribunals by a mixed arbitral tribunal, and asked that any revision should be made by the national tribunals and that the clause should be made reciprocal in form. The article was referred for consideration by experts without any decision on principle being come to.

Article 92.—Technical difficulties as to acceptance of this article were raised by the Turkish delegation, and the article was referred for consideration by experts, who were to consult with the jurists if necessary.

Article 93.—A point of minor importance with regard to persons or companies who had representatives in Turkey was raised, and referred to the experts.

Annex relating to Insurance.—Several technical points were raised on this annex by the Turkish delegation, and the annex was referred for consideration to experts.

Articles 94–100.—Discussion of these articles, which are those forming the section relating to concessions, was suspended pending the negotiations between the Turkish Government and the concessionnaires.

Article 101.—This article, dealing with pre-war debts, was accepted by the Turkish delegation subject to a reserve with regard to the last paragraph, but as the article is to some extent dependent on the decisions come to on other economic clauses, it was also referred to experts.

Articles 102–106.—These articles, dealing with industrial property, were accepted by the Turkish delegation.

Article 107. This article, which provides for the recognition of the grant of patents and the registration of trade-marks effected at Constantinople since the 30th October, 1918, was objected to in its present form. Hassan Bey stated, however, that they agreed in principle that the proprietors of such patents and trade-marks should not suffer any prejudice and the article was referred to experts to prepare a draft to give effect to this principle.

Articles 108–111.—No objection was raised to the constitution of the mixed arbitral tribunal provided for in these articles, but the Turks maintained that there was not now any necessity to establish such a tribunal. This view was not accepted by the Allied representatives, and the articles were referred to the jurists for consideration. They were to consult with the economic experts if necessary.

Articles 112 *and* 113.—Reserves of minor importance were made on these articles by the Turkish delegation, who desire to consider them further, and the jurists were to consider whether it is necessary to include the fifth paragraph in article 112.

Articles 114 *and* 115.—The Turkish representatives maintained that these articles were unnecessary and reserved them for further consideration.

The attitude of the Turkish delegation was conciliatory, and I do not anticipate much difficulty in reaching an agreement with the Turks on several of the articles referred to the experts

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No. 153

Mr. Phipps to the Marquess Curzon of Kedleston. —(*Received April* 30.)

(No. 441.) [By Bag.]
(Telegraphic.) *Paris, April* 29, 1923.

THE stiffening of the French attitude towards Turkey is well illustrated in an article by "Pertinax" to-day.

"Pertinax" alludes with satisfaction to a conference which is to take place to-day between M. Poincaré and Generals Pellé and Weygand, and continues that General Weygand will go to Syria on the French warship "Lorraine." After

passing through Beirout, he will go to the Syrian frontier "to determine for himself the degree of the menace contained in the concentration of Turkish troops reported in the last few days." Whatever French policy in Syria is to be, France must defend her rights without provocation or boastfulness, but without weakness. The stay of the "Lorraine" in Alexandretta Bay is a "first warning to those in control at Angora."

"Pertinax" goes on to hint that if this is not enough and the Nationalists continue their aggressive designs, France will not hesitate to send to Syria the reinforcements required; although this a distant possibility, the troops in question have already been decided on. "Let those who manage Turkish policy be under no misapprehension as to our will to defend what belongs to us."

He points out two matters on which at Lausanne Turkey has put forward claims particularly directed against French interests, namely, the demand to include in the Lausanne Treaty the stipulations in the Franklin-Bouillon Agreement giving the Turks a privileged régime in the Antioch–Alexandretta region and the refusal of compensation to foreign nationals who suffered during the war over and above the £T. 5,000,000 in the Reichsbank. On the last point he states that it had been agreed to add to this sum the value of the two warships taken by His Majesty's Government in 1914, but as the Cabinet has refused to confirm the undertaking given by your Lordship on this subject, it is to be feared that foreign nationals, "and ours in particular," will suffer accordingly. "It is not up to the Turks to make good the deficit due to the decision taken in England."

After remarking that Turkish intractability is due to the repeated concessions made by France, he concludes that if it continues her awakening will help to show them the limits of their power.

M. Herbette urges this evening in the "Temps" that a date should be fixed, after which the negotiations between the various concessionnaires and the Turkish Government should be tranferred to Lausanne.

This attitude on the part of M. Herbette, taken in connection with "Pertinax's" appeal for "unity of place" in negotiations with the Turks (see my telegram No. 430), shows that the French now regret the proposal which they themselves made in regard to the separate negotiations of the concessionnaires.

No. 154.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received April* 30.)

(No. 18.)
(Telegraphic.) *Lausanne, April* 30, 1923.

CONSTANTINOPLE telegram No. 258.

Your Lordship may wish to have my views regarding place of negotiations

Main objection to Angora is lack of accommodation and inconvenience. Secondary objection is existence at Constantinople of archives of a technical nature of several firms, such as Telephone Company. On the other hand, there seems real force in Turkish contention that rapid decisions will be more easily obtained at Angora in direct touch with executive Departments concerned and with responsible Ministers. Moreover, consent to Angora as meeting place is, in principle, in keeping with our justification for these negotiations, namely, to make some allowance for Turkish *amour-propre* in accepting their plea for direct dealings with companies, nominally their own nationals, and to offer a real test of Turkish good faith.

I do not think that argument of inconvenience is sufficiently strong to outweigh these considerations. A good many visitors lately have found themselves able to overcome difficulty of [? accommodation] at Angora, and since their vital interests are at stake firms concerned should be prepared to make sacrifices.

I feel, moreover, that having made Turks come to Lausanne twice for Peace Conference we should not be on strong ground in attempting to prescribe to them where their negotiations with Allied concessionnaires should take place in their own country.

(Repeated to Constantinople, No. 2.)

No. 155.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received April* 30.)

(No. 19.)
(Telegraphic.) *Lausanne, April* 30, 1923.

TURKISH delegation have explained that their proposed insertion of resultant phrase "Islands of Merkeb depending on Tenedos" in article 12 was intended to relate to Rabbit Islands, already mentioned in and demilitarised by article 4 of Straits Convention. They claim that there is no group of islands between Tenedos and the mainland, but only island of Gaidaros. This island is in territorial waters and therefore already Turkish under article 6 of treaty. They claim that Rabbit Islands are called Merkeb in [? group omitted], although Merkeb is Turkish equivalent of Gaidaros, which naturally misled us. There are apparently few, if any, inhabitants on islands, but there is a lighthouse.

As group is nearer mouth of Straits than Tenedos and Imbros, both of which are Turkish under treaty, I propose, if your Lordship now approves, to agree to cession of Rabbit Islands to Turkey if my colleagues and M. Venizelos agree.

No. 156.

The Marquess Curzon of Kedleston to Mr. Henderson (*Constantinople*).

(No. 142.)
(Telegraphic.) *Foreign Office, April* 30, 1923.

YOUR telegram No. 255 of the 24th April: Private economic negotiations.

All companies in London have been requested to telegraph to their representatives at Constantinople to send in formal applications to competent department through Adnan.

Meanwhile, M. H. Tubani, local agent for the Borax Consolidated, has informed his company that he understands negotiations between concessionary companies and Government are to be confined solely to Ottoman companies, capital of which is furnished by Allied nationals, to the exclusion of purely foreign companies. It has been understood throughout that Government would treat with all Allied concessionary companies, whether registered as Ottoman or otherwise. Information, if correct, may mean that the Turkish Government intend taking this opportunity of enforcing new company law and compel foreign companies to register before negotiations can take place. Reception given to applications now being made will indicate the position, and consequently it may be too early to make any representations to Adnan, if necessary, but you should watch the situation and keep in close touch with representatives of companies.

No. 157.

The Marquess Curzon of Kedleston to Sir H. Rumbold (*Lausanne*).

(No. 6.)
(Telegraphic.) *Foreign Office, April* 30, 1923.

YOUR telegram No. 10 of 26th April: Maritza frontier and Castelorizo.

I think you should be careful at the present early stage of negotiation to refrain from any statement or action indicating a disposition on our part to give way as regards the thalweg. Any hint of this in whatever quarter would inevitably and immediately reach the ears of the Turks.

If it be true that M. Venizelos would not object to this concession, circumstances may eventually render it desirable for us to give way in order to avoid a breakdown and to save Castelorizo for Italy, but for the present you should give no hint of this.

No. 158.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 7.)
(Telegraphic.) *Foreign Office, April 30, 1923.*

YOUR telegram No. 13 of 27th April and your telegram No. 12 of 26th April, paragraph 4: Reparations.

You should stand fast on the line of action which was clearly laid down at the recent meeting in London, *i.e.*, that we cannot allow the question of reparations to be raised again.

No. 159.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 1.)

(No. 20.)
(Telegraphic.) *Lausanne, April 30, 1923.*

YOUR telegram No. 5.

I venture to suggest that I should be authorised to inform French delegate of proposals with regard to future of Irak at least twelve hours before issuing publication on the subject. This publication might have repercussion on Syria.

Local press contains telegrams from Paris describing unfavourable impression produced in France by reported movements of Turkish troops towards Syrian frontier, and one telegram states that it is probable that, in order to reply to these attempts at intimidation, French Government will send two new colonial divisions to Syria as reinforcements. Telegram adds that it is possible that British Government will be invited to associate themselves with measures of security in their zone of influence in Mesopotamia.

General Pellé, who went to Paris for week-end, tells me Turkish delegation are very much perturbed by line taken by French press with regard to movements of Turkish troops.

No. 160.

The Marquess of Crewe to the Marquess Curzon of Kedleston.—(Received May 1.)

(No. 443.) [By Bag.]
(Telegraphic.) *Paris, April 30, 1923.*

"MATIN" to-day publishes an interview with General Pellé after his conversation yesterday with M. Poincaré and General Weygand. General Pellé, while recognising desire of Turkish delegation at Lausanne to conclude peace, expresses doubt as to disposition of Angora, and refers to the menace of Turkish troops on Syrian frontier and Mustafa Kemal's unpleasant language during his expedition to Cilicia. He, however, doubts seriousness of this menace, as Turks must realise "the solidity of our positions in Syria as at Constantinople, from which it is impossible to dislodge us by force," and thinks also that the Greek menace in Thrace will deter them.

Article continues by stating that it has been decided to add to the Syrian forces troops from Algerian and Moroccan contingents and that General Weygand will have the means to meet any eventuality. This is a purely precautionary measure; France desires nothing more than a just peace, but she cannot allow her representatives to negotiate under Kemalist threats.

M. Herbette, however, in the "Temps" this evening, denies that it was decided during yesterday's conversation at the Quai d'Orsay to send two divisions to Syria or that the despatch of reinforcements was discussed yesterday either with M. Poincaré or M. Peretti de la Rocca. I understand, however, that the Press Bureau at the Quai d'Orsay adopt a hedging attitude on this point and merely state that no decision has been actually come to. M. Herbette concludes by saying that he refuses to regard it as certain, or inevitable, that the Turks will seek to quarrel with France in order to do Germany a service "and to furnish a pretext for the occupation in perpetuity of Gallipoli."

No. 161.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 1.)

(No. 263.)
(Telegraphic.) D. *Constantinople, May 1, 1923.*

ACTING French High Commissioner tells me he is addressing to Turkish representative to-day, on instructions of President of the Council, categorical request for immediate withdrawal of Turkish forces recently despatched towards Syrian frontier.

(Repeated to Lausanne, No. 79.)

No. 162.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 68.)
(Telegraphic.) R. *Foreign Office, May 1, 1923.*

YOUR telegram No. 154 of 29th April: Training of Circassians, &c., in Mitylene.

Greek explanation appears far from satisfactory. Result of formation of such bands can only be increased danger of incidents, which at present stage of negotiations at Lausanne would be deplorable.

You should explain this to Ministry for Foreign Affairs, and add that, if unfortunate developments occur, His Majesty's Government may not be able to afford to Greek case that help which they are giving at present.

No. 163.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 2.)

(No. 21.)
(Telegraphic.) D. *Lausanne, May 1, 1923.*

MY despatch No. 5 and my despatch No. 8.

Swiss Government has now asked secretary-general of conference to confirm statement made to it by French Chargé d'Affaires at Berne with regard to Russian participation in present Lausanne Conference. Chargé d'Affaires had stated that Russian Government had been invited to participate in deliberations regarding Straits Convention. Not having been induced to sign Straits Convention, Russian Government had excluded itself by its own act from further participation in Lausanne Conference. As soon as that Government declared itself willing to sign Straits Convention it would be invited to send delegates to Lausanne for that purpose. Until then Russia must be considered as having no sort of relations with Lausanne Convention.

Swiss Government also asks to be kept informed of any new facts likely to modify present position of Russia towards convention, as attitude of Federal Government towards applications made by representatives of Russian Government to enter Switzerland with declared intention of participating in Lausanne Convention must depend on such information.

Whilst my colleagues and I would have no difficulty in answering this latter, we have decided to await views of our Governments in the hope that these may arrive within next twenty-four hours. It is important to us to know exact nature of communication made by M. Vorowsky to Italian Government and why that Government did not pass that communication on to other Allied Governments. Italian delegate professes ignorance on the subject.

Meanwhile, M. Vorowsky is publishing tendencious and somewhat offensive statements in local press.

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of concession by offering a declaration which was on the same lines as the letter annexed to the Franklin-Bouillon Agreement and which, he claimed, covered the same ground as the Allied article. My colleagues and I pointed out several lacunæ in the Turkish declaration even after the word "religieuses" had been inserted after "œuvres," an omission which the Turks said was merely accidental. We objected to the limitation of date, to the offensive reference in the Turkish declaration to propaganda, and to the omission of the phrase in the Allied draft article safeguarding the special character and "libre fonctionnement" of foreign institutions. I finally said that we should accept the principle of a declaration subject to its being satisfactorily worded. It was also suggested that the declaration ought to figure in the final act.

Article 25.—Ismet Pasha strongly contested any reference whatsoever to the adhesion by non-signatory Powers. I said that we should propose an alternative draft in the Drafting Committee. Ismet Pasha at first demurred to the article being referred to the Drafting Committee at all, but eventually agreed to this course after formally reserving the Turkish point of view.

I pointed out that the new penultimate article proposed by the Turks presented a special difficulty for the British delegation apart from the general question of reciprocity, as the British Empire, owing to its internal arrangements, could not be treated as a single whole for the purpose of a convention of this kind.

Article 26.—The Allied delegates agreed in principle to a time limit, but suggested that five years was too short. I proposed to fix the period at ten years, and General Pellé added that provision should be made for the continued operation of the convention, unless it were formally denounced at a stated period before the time limit expired. Ismet Pasha accepted General Pellé's suggestion, but the question of the duration of the convention was reserved pending discussion in the Drafting Committee. Riza Nour Bey said that in all arrangements which had been discussed at the conference the Allies had taken five years as a standard period My colleagues and I strongly demurred to this.

The discussion was entirely confined to the British, French, Italian and Turkish delegations. Neither the Americans nor anyone else intervened. I observed that Riza Nour Bey, though he has spoken very little at any meeting up to date, appeared to be doing a great deal of prompting at this morning's meeting.

The Financial Committee will meet to-morrow morning. The economic, financial and legal experts continue to work actively on the numerous questions which have been referred to them. Some progress is being made at these meetings of experts, but it is very slow owing to the meticulous and sometimes uncompromising attitude of the Turkish representatives.

No. 166.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 3.)

(No. 23.) [By Bag.]
(Telegraphic.) *Lausanne, May 1, 1923.*

MR. GREW informed me to-day that the Turkish delegation had expressed an urgent wish to conclude a treaty of commerce and amity with the United States with a view to the resumption of diplomatic and consular relations. He had now been authorised by the State Department to commence negotiations for the above purpose with the Turks. He thought that these instructions would provide a useful lever for making the Turks amenable in such questions as the régime for foreigners in Turkey.

I pointed out that there was a possibility that the Turks might attempt to take advantage of what would amount to a parallel set of negotiations to try to play the Americans off against the Allies. There was also the practical disadvantage that parallel negotiations with the Americans would presumably take some of the time which the Turks would otherwise be able to devote to negotiations with the Allies. I added that the purpose of the meeting at Lausanne was the conclusion of peace between the Allies and Turkey.

Mr. Grew replied that the first of these considerations had already occurred to him, but he thought that a close co-operation between the Americans and the Allied

delegates would checkmate any manœuvre of the kind by the Turks. He also pointed out that a treaty of commerce and amity would in reality be a short document not requiring much negotiation.

Mr. Grew said that he meant to tell Ismet Pasha that he would be prepared to negotiate such a treaty on three conditions, *i.e.*, (1) that he would not sign a treaty until the Turks had signed a treaty with the Allies (Mr. Grew added for my information that if our negotiations with the Turks broke down the Americans would naturally resume their liberty of action); (2) that the conventions relating to the judicial and commercial régime for foreigners would follow the lines of the similar conventions to be concluded between the Allies and the Turks, and that unless, therefore, Ismet satisfied the Allies as regards the latter, he would not be able to satisfy the United States Government; (3) that the negotiations for this treaty must not be allowed to interfere in any way with the course of the negotiations between the Allied and the Turkish delegations.

I am satisfied that Mr. Grew really wishes to be helpful.

No. 167.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 2.)

(No. 24.)
(Telegraphic.) D.
MY telegram No. 21. *Lausanne, May 2, 1923*

Italian delegate has now communicated to French delegate and myself substance of a telegram from Rome to the effect that Vorowsky did send a note to Italian Government in terms of his letter to Secretary-General of Conference, which was enclosed in my despatch No. 8.

Italian Government, who did not apparently attach much importance to matter, returned no answer to note, but caused Vorowsky to be informed verbally that he should send an official answer to letter of 12th April from Secretary-General of Conference.

We have now decided that Secretary-General of Conference should call on Vorowsky to answer his letter of 12th April, and we shall consider our further procedure by the light of Vorowsky [group omitted]. Meanwhile we are holding up our reply to Swiss Government.

No. 168.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 9.)
(Telegraphic.) R.
Foreign Office, May 2, 1923.

ANNOUNCEMENT regarding Irak will be made in House of Commons on 3rd May at 3 o'clock in the words of memorandum* sent to you in Oliphant's private letter of 1st May, due at Lausanne to-night. It will also be made in Bagdad some time to-morrow.

You may communicate text immediately to General Pellé in order to give him the twelve hours' notice, which you request in your telegram No. 20, but you should impress on your French colleague necessity of preventing any allusion to it appearing in press before statement is published here.

* *Proposed Announcement.*

It will be remembered that in the autumn of last year, after a lengthy exchange of views, it was decided between the Governments of His Britannic Majesty and His Majesty King Feisal that a Treaty of Alliance should be entered into between His Britannic Majesty and His Majesty the King of Irak. This treaty, which was signed on the 10th October, 1922, and the term of which was to be twenty years (subject to periodical revision at the desire of either party), provided for the

establishment of an independent Constitutional Government in Irak, enjoying a certain measure of advice and assistance from Great Britain of the nature and extent indicated in the text of the treaty itself and of subsidiary agreements which were to be made thereunder.

Since then the Irak Government has made great strides along the path of independent and stable existence and has been able successfully to assume administrative responsibility, and both parties being equally anxious that the commitments and responsibilities of His Majesty's Government in respect of Irak should be terminated as soon as possible, it is considered that the period of the treaty in its present form can be conveniently shortened. In order to obviate the inconvenience of introducing amendments into the body of a treaty already signed, it has been decided to bring about the necessary modifications by means of a protocol which, like the treaty itself, will be subject to ratification by the Constituent Assembly.

Accordingly a protocol has now been signed by the parties in the following terms:—

"It is understood between the high contracting parties that, notwithstanding the provisions of article 18, the present treaty shall terminate upon Irak becoming a member of the League of Nations, and in any case not later than four years from the ratification of peace with Turkey. Nothing in this protocol shall prevent a fresh agreement from being concluded with a view to regulate the subsequent relations between the high contracting parties; and negotiations for that object shall be entered into between them before the expiration of the above period."

It will be noticed that under this protocol the treaty in its present form is to terminate on the entry of Irak into the League of Nations or in four years, whichever may be earlier.

The position of Irak as regards the League is that when the treaty has been ratified His Britannic Majesty will be bound under article 6 to use his good offices to secure the admission of Irak to membership of the League of Nations as soon as possible. His Majesty's Government will be in a position to take this step on the fulfilment of the two following essential conditions, namely, the delimitation of the frontiers of Irak and the establishment of a stable Government in accordance with the Organic Law.

There is every reason to hope that both these conditions will be fulfilled at no distant date.

[E 4473/35/44] No. 169.

The Marquess Curzon of Kedleston to the Marquess of Crewe (*Paris*).

(No. 1547.)

My Lord, *Foreign Office, May 2, 1923.*

THE French Ambassador came to me this afternoon with a telegram from M. Poincaré in which the latter asked me to join him in protesting to the Turkish Government against the alleged despatch of large Turkish forces in the direction of Syria as involving a distinct menace to the *Entente* and a threat to the maintenance of peace. M. Poincaré was sending reinforcements of troops in that direction and he thought it would be a good thing if the Turks realised that the British Government were prepared to take similar action.

I replied that I could not help being amused at this appeal from M. Poincaré. I recalled very well how, when I went over to Paris in the autumn of last year and appealed to M. Poincaré to strengthen the Allied position in Constantinople and the Straits, he replied to me over and over again, "Not a man." I recalled also how, when I pressed him to say what the French Government would do if the Mudania Convention were violated, and if the Turks forced their way into the neutral zones and embarked upon hostilities, he more than once replied, "Not a cartridge, not a shot." Here was the same M. Poincaré now not only sending the reinforcements, but threatening the cartridges and the shots, and inviting me to participate in the operation which he had so vehemently repudiated only six months ago.

While I did not desire to criticise the conduct of the French Government, and while I thought it might be even helpful in bringing the Turks to an understanding of the realities of the situation, I did not feel disposed to take part in a joint representation until the military menace, which was apparently directed against Syria, was applied to the frontiers of Irak, for which Great Britain was more directly responsible. In that case, I should not ask the French Government to join me in protesting to the Turks; I should do it on my own account.

I thought, indeed, that the French protest was more likely to be successful if it was made independently. The real place for joint action was at Lausanne. It was only because there had not been that joint action in the concluding stages in February last that the treaty had broken down. I was still pursuing the policy which I had adopted then. The French might rely upon His Majesty's Government to do all in their power to present a united front at Lausanne, but I did not see any occasion at the present moment for the joint representation to Angora which his Excellency had suggested.

He then passed on to say a few words about the question of Tangier. M. Poincaré had examined the formula which I had submitted with regard to the future internationalisation of the Tangier port and zone as the basic principle upon which the proposed conference between Great Britain, France and Spain should be held. M. Poincaré objected to this formula as involving too rigid a definition, and urged me most strongly not to persist in putting it forward, but to go into a conference in the general belief that we were not so widely separated as might seem the case, and that as the result of friendly conversations an agreement could be arrived at.

I replied that I saw nothing to justify this confidence. During the last three years I had made repeated efforts, both in correspondence with Paris, in personal conversations and in conversations between our respective representatives at Tangier, to arrive at the basis of an understanding between the French Government and ourselves. On each occasion these attempts had ended in complete failure, and, for my part, I had no idea of presiding over a conference here, which in three or four days from its commencement might break down because of an irreconcilable divergence of views on the main principle involved, thereby inflicting what might be a very serious blow to the *Entente* itself.

We already had trouble enough about the Ruhr. That, I hoped, we might survive, but if on top of the Ruhr we were to hold an abortive conference about Tangier, I should view the consequences with great apprehension. The conference was not one which I had sought. British interests in the matter were not as great as those of France, or of Spain, but I had volunteered my services because I understood that they were desired by both parties, and because there were definite British interests which, even if they might be inferior to those of the two other countries, were yet considerable. But I could not be responsible for courting certain failure, and if the conference did not take place the blame would not be mine.

The Ambassador thereupon reiterated what he had said a dozen times in previous conversations, that he did not see the slightest reason why an agreement should not be arrived at, or where there was any irreconcilable difference.

As soon as, however, he mentioned the French claim for the uncontested authority of the Sultan over the native population in Tangier, I reminded him that here was a point which, if I interpreted it as I understood the French to interpret it, raised a fundamental difference to start with.

As matters were not progressing between us, his Excellency, after repeating his confident belief that an agreement was easy, asked me if I would object to sending a Foreign Office expert to Paris to discuss the matter with a corresponding expert there.

I said that this was a suggestion which I was prepared to consider, although I must be clear that nothing was done that could be misinterpreted by the Spaniards as going behind their backs.

He said that in that case perhaps a Spaniard might also be admitted.

I reserved my reply to these suggestions, but promised it at a later date.

His Excellency then for the first time made a further suggestion which, upon enquiry, he said his Government might not very much like, but which he was persuaded that in the last resort they would accept, namely, that the League of Nations should be brought in some capacity or other into a settlement of the case.

When I asked him at what stage this introduction should take place, and what were the functions which he anticipated the League might be asked to perform, he replied that an international administration with conflicting interests was one of the worst forms of administration in the world, and would be certain at Tangier, as else-

where in the world, to provoke repeated conflict, in which case the League of Nations might be a very desirable Appeal Court to which to refer. Further, he thought that it might be entrusted with certain powers of supervision, or control, which he did not, however, proceed more closely to define.

I said that I had long foreseen the possibility, or even the desirability, of bringing the League of Nations into the matter, at some stage or other, and that I thought the discussion well worthy of examination. I would look into the matter and speak again to his Excellency on the subject at a later date.

I am, &c.
CURZON OF KEDLESTON.

No. 170.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 4.)

(No. 25.) [By Bag.]
(Telegraphic.) *Lausanne, May 2, 1923.*

THE second meeting of the Second Committee (Financial) was held to-day. A report was received from the sub-committee of experts, a copy of which is being sent by bag. It will be seen that the text of articles 17 and 19 (financial paragraphs) and articles 45 to 49 inclusive has been agreed with two reserves: (1) The Italians are withholding their consent to date back the debt contribution of the Dodecanese to 1912 until Castelorizo is settled: (2) the Turks reserve article 46 *bis* (completion of guarantees for the Turkish part of the debt) because they consider that it prejudges the question of the exchange options contained in the loan contracts.

The Greeks had objected that it is inequitable to treat the customs of Salonica, &c., as exclusively Greek revenues, since transit goods to Serbia, &c., now pay no customs to the Greek Treasury; article 49 has been redrafted to meet this point and was accepted as altered.

The report of the experts was accepted, subject to some unimportant observations, and the two above-mentioned reservations.

The committee then discussed the remaining articles of the section on the Ottoman Public Debt (articles 53 to 56 and Annexes I and II). The following points of principle arise here:—

1. The Turks claim that the arrears of assigned revenues confiscated by the Nationalist Government should be repaid on the same terms as the arrears of assigned revenues in detached States, *i.e.*, in twenty years without interest. The Allies refuse to admit that the circumstances are at all the same, since Turkey is formally responsible for the whole debt until liberated from a part by the treaty, while the responsibility of the detached States does not exist until the treaty establishes it.

2. The Allies demand that the Decree of Mouharrem and the loan contracts should be confirmed either in the treaty or in a declaration such as that drafted on 4th February and accepted by Ismet Pasha's letter of that date. Ismet Pasha asserted that this question is connected with the question of exchange options, and was very evasive in his reply on the matter.

3. As regards the question of exchange options, which is raised by the Turks in connection with the explanatory note to the table, General Pellé made a formal declaration that the French Government could never agree to deprive the bondholders of their existing rights by a provision in the Treaty of Peace. I supported this view on behalf of the British delegation, and Signor Montagna did the same on behalf of the Italian delegation.

These points were referred to the experts, together with the rest of the section on the debt. General Pellé proposed to await the report of the experts before holding a further meeting, but Ismet Pasha and M. Venizelos pressed for an early meeting to discuss reparations without waiting for the experts to report on the debt section.

No. 171.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 4.)

(No. 26.) [By Bag.]
(Telegraphic.) *Lausanne, May 2, 1923*

IN conversation with me to-day Ismet Pasha complained that action which British authorities in Irak appeared to be taking, and to have recently taken, was causing disaffection among the Kurdish tribes on the Turkish side of the present *de facto* frontier. He did not specify what he regarded as this frontier, but hinted that in his opinion what we were doing was certainly upsetting the *status quo*.

Although I knew that our column had recently occupied Rowanduz, where Turkish force had been until recently, I was not sufficiently certain of the details of our action or of our justification of it to reply at once to Ismet Pasha's representations, but I promised that I would make enquiries of your Lordship.

As regards our recent operations, I now understand that we are in a position to give a complete answer to any Turkish representations by letting Ismet know of the correspondence recently seized by the Irak authorities, showing the complicity of the commander on the Turkish side of the frontier, Euz Demir, and his intrigues with the Persian authorities, and with such prominent Kurds as Sheikh Mahmoud, to turn us out of Southern Kurdistan.

I shall be glad if a summary of such information as I may communicate to Ismet Pasha on this subject can be sent to me as soon as possible, and if I may be authorised to use my discretion in making use of it.

Apart from above justification for recent operations, I presume that charge put forward by Turks as to our modifying *status quo* by occupation of Rowanduz can also be answered on following lines: I understand that Rowanduz was occupied by our authorities, like all the rest of the Mosul Vilayet, soon after the armistice and remained in our occupation until about a year ago. It can be argued that Turkish action in then occupying it was in violation of armistice and that district has since been used as a centre of intrigue against our authority in Irak and Southern Kurdistan. Your Lordship claimed throughout recent conference that whole of Mosul Vilayet should properly be included in Irak State, and ever since the armistice His Majesty's Government have regarded the northern frontier of the vilayet as the *de facto* administrative frontier of the Irak State. We cannot therefore admit that the temporary evacuation and reoccupation by British forces of one town within that administrative frontier can be regarded as a change in the *status quo*.

No. 172.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 3.)

(No. 27.)
(Telegraphic.) *Lausanne, May 2, 1923*

YOUR telegram No. 7.

I have informed my French colleague of my instructions. He states that when he saw M. Poincaré in Paris last Sunday latter said that he felt bound, if only for parliamentary reasons, to raise again question of reparations from Turkey, and that French Ambassador in London had been instructed to make a *démarche* in this sense.

My French colleague agrees with me in recognising grave effect which revival of demand for reparations would have on course of negotiations. As this was a confidential expression of opinion on his part, I beg that no use be made of it. Mr. Grew informed me yesterday that Ismet had stated to him two or three days ago that if demand for reparations from Turkey were raised again he would have no alternative but to leave Lausanne.

I have informed General Pellé of this, but meanwhile you will appreciate embarrassing situation in which General Pellé and I find ourselves with absolutely contrary instructions.

Financial Committee to-day concluded consideration of articles dealing with debt, and reparations chapter would normally be next subject to be dealt with.

Ismet, who evidently realises that there is a conflict of opinion amongst Allies on this matter, will not be slow to profit by this knowledge. At end of this morning's

sitting he demanded that reparations section of treaty should be considered as soon as possible, presumably in order to get acceptance of Turkish counter-draft of article 57. M. Venizelos likewise demanded discussion of reparations section, in order, as I understand, to guard against danger of Græco-Turkish reparations being shelved and of an arrangement unfavourable to Greece being arrived at or pressed on him at the last minute by Allies. I have arranged with my French colleague that section, during discussion of which we shall have to declare our policy about reparations, should not be taken in committee before Monday, pending which we hope our two Governments will be able to agree on a common line of policy.

General Pellé is telegraphing to his Government in the same sense.

Even if French Government decide, as I hope, to adopt your Lordship's policy as to waiving of reparations claim, it will anyhow be necessary to discuss Turkish counter-draft of article 57

No. 173.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 3.)

(No. 28. Confidential.)
(Telegraphic.) *Lausanne, May 3, 1923.*

MY telegram No. 27.

General Pellé has now shown me various telegrams from his Government on reparation question, including report of a visit of M Barrère to Italian Foreign Office, where he was informed that it would be useless to revive a reparation claim against Turkey which would be inevitably rejected by the Turks. Italian Foreign Office suggested that French and Italian Ambassadors at London should propose that 5,000,000*l.* in gold, transferred from Berlin and Vienna, should be allocated to the Allies other than ourselves, [? leaving] us to compensate British nationals

General Pellé and I both infer from these telegrams that French and Italian Governments recognise that question of Turkish reparation now at issue is a question between us and our allies, and not one between Allies and Turks.

If you can induce French and Italian Governments to act at once on this view, and instruct their delegates here not to revive reparation claim against Turkey, exceedingly difficult situation which now exists will be cleared up and we can proceed with discussion of requisite clauses.

As regards question between ourselves and our allies, proposal to exclude us from 5 millions will no doubt be refused, and I have reason to believe that in that event French Government will propose that portion of 5 millions in London, which amounts to about 2 millions, should be allocated to British nationals, and balance of 5 millions which is in Paris should be shared by other Allies. The intention to make this proposal was communicated to us very confidentially, and I am very anxious that French Government should not have any suspicions that this information has been given to us.

After consulting experts here I think that this last proposal is one which might be accepted in the circumstances

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No. 174.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 10.)
(Telegraphic.) R. *Foreign Office, May 3, 1923.*

YOUR despatch No. 8 of 28th April: Russian representation at renewed Lausanne Conference.

I agree with view that Vorowsky can only be regarded as being at Lausanne in purely private capacity. Conference therefore has at present no *locus standi* for obtaining diplomatic facilities for him from Swiss Government.

You should act accordingly.

No. 175.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 11.)
(Telegraphic.) *Foreign Office, May 3, 1923.*

YOUR telegram No. 19 of 30th April: Merkeb Islands.

I agree to action proposed in last paragraph, but please consider following point:—

When Allies agreed to hand over Tenedos and Imbros to Turkey, no provision was made to protect inhabitants from Turkish military service. It was subsequently thought undesirable to raise matter officially with the Turks. As Turks are now raising a point on which concession will perhaps be made to them, opportunity might be taken to bargain with them regarding military service of inhabitants of these islands. It will of course be necessary, when stipulating for exemption from military service of inhabitants of the islands, to limit exemption to Greeks actually resident at the time of signature of treaty and their descendants, in order to avoid influx of Greeks from other districts for purposes of exemption.

I leave matter to your discretion.

[E 4471/1/44] No. 176.

The Marquess Curzon of Kedleston to Count de Saint-Aulaire.

Your Excellency, *Foreign Office, May 3, 1923.*

HIS Majesty's Government have carefully considered the memorandum which you left with Sir Eyre Crowe on the 30th ultimo, communicating the request of the French Government that the British representative at Lausanne might be instructed to support the French point of view in regard to the question of Turkish reparation.

2. In reply, I have the honour to inform your Excellency that His Majesty's Government remain convinced that it could only do harm and could present no advantages if the Allies were first to insist on a demand to which they knew perfectly well that the Turks would not agree, and were subsequently to give way in the face of Turkey's obstinacy. The French Government will no doubt remember that it was on account of the persistent refusal of Ismet Pasha to consider the original Allied demand that the Allied delegates at Lausanne definitely gave way on this question on the 3rd February last, and that Ismet Pasha, in his note to the presidents of the Allied delegations of the 4th February, definitely recorded and accepted "the renunciation on the part of the Allied Powers of the sum of 12 million gold pounds claimed by them under the heading of reparation."

3. In the circumstances, His Majesty's Government do not see how the Allies could honourably withdraw a concession so solemnly made and so formally accepted, and they therefore regret that they cannot see their way to issue instructions to Sir Horace Rumbold in the sense desired.

I have, &c.
CURZON OF KEDLESTON.

[E 4477/1/44] No. 177.

Report of Financial Sub-Committee, dated May 4, 1923.—(Communicated by British Delegation, Lausanne; received at Foreign Office, May 4.)

LES experts financiers britanniques, français, italiens, japonais, grecs et turcs sont tombés d'accord pour recommander l'adoption des articles dont le texte est ci-joint.

Toutefois, plusieurs réserves ont été formulées au cours de leurs travaux.

1. La délégation turque a demandé que la discussion de l'article 46 *bis* soit différée. Elle formulera, dans le plus bref délai possible, son avis définitif sur la question.

2. En ce qui concerne l'article 48, la délégation turque a demandé, pour des raisons déjà exposées par la délégation turque au Comité financier, que les îles visées à l'article 15 (Dodécanèse) soient comprises, non parmi les territoires détachés de la Turquie en vertu du présent traité, mais parmi les territoires détachés en vertu des traités antérieurs.

Le 1er mai 1923.

Enclosure in No. 177.

Projet d'Articles.

ARTICLES 17 ET 19.

ARTICLE 17 (deuxième alinéa). La Turquie est libérée de tous engagements et obligations à l'égard des emprunts ottomans garantis sur le tribut d'Égypte (emprunts de 1855, 1891 et 1894). Les paiements annuels faits par l'Égypte pour le service de ces trois emprunts constituant aujourd'hui une partie du service de la Dette publique égyptienne, l'Égypte est libérée de toutes autres obligations en ce qui concerne la Dette publique ottomane.

Article 19 (deuxième alinéa). Supprimé (l'emprunt de 1855 étant déjà couvert par l'article 17).

ARTICLE 45.

La Dette publique ottomane, telle qu'elle est définie dans le tableau annexé à la présente section, sera répartie dans les conditions stipulées dans les articles entre la Turquie, les États en faveur desquels des territoires ont été détachés de l'Empire ottoman à la suite des guerres balkaniques de 1912-13, les États auxquels les îles visées par les articles 12 et 15 du présent traité ont été attribuées, et, enfin, les États nouvellement créés sur les territoires asiatiques détachés de l'Empire ottoman en vertu du présent traité. Ces États devront, en outre, participer, dans les conditions indiquées dans les articles aux charges annuelles afférentes au service de la Dette publique ottomane, à partir des dates prévues par l'article 52.

A compter des dates fixées par l'article 52, la Turquie ne pourra en aucune façon être rendue responsable des parts contributives mises à la charge des autres États.

ARTICLE 46.

Le Conseil de la Dette publique ottomane devra, dans le délai de trois mois à later de la mise en vigueur du présent traité, déterminer, sur les bases établies par l'article 19, le montant des annuités incombant à chacun des États intéressés et leur notifier ce montant.

Ces États auront la faculté d'envoyer à Constantinople des délégués pour suivre à cet égard les travaux du Conseil de la Dette publique ottomane.

Le Conseil de la Dette remplira les fonctions qui sont prévues par l'article 134 du Traité de Paix du 27 novembre 1919 avec la Bulgarie.

Tous différends pouvant surgir entre les parties intéressées relativement à l'application des principes formulés dans le présent article seront déférés un mois au plus tard après la notification prévue à l'alinéa 1 à un arbitre que le Conseil de la Société des Nations sera prié de désigner, et qui devra statuer dans un délai maximum de trois mois. Les décisions de l'arbitre seront souveraines. Le renvoi audit arbitre ne suspendra pas le paiement des annuités.

ARTICLE 46 *bis*.

Réserve de la Délégation turque.

En ce qui concerne les emprunts autres que la Dette unifiée et les Lots turcs, au cas où la répartition de la Dette publique ottomane entraînerait une diminution de la proportion existant en vertu des contrats entre le gage de chaque emprunt et l'annuité nécessaire à son service, la Turquie prendra, en ce qui concerne la part lui incombant dans cet emprunt, les mesures nécessaires pour rétablir cette proportion. Ces mesures devront avoir été prises à l'expiration d'un délai de six mois, à compter de la mise en vigueur du présent traité.

Au cas où, au contraire, la répartition de la Dette publique ottomane aboutirait à augmenter ladite proportion, le Gouvernement turc aura la faculté de ramener cette proportion à son taux primitif.

ARTICLE 46 *ter*.

Les États autres que la Turquie entre lesquels la Dette publique ottomane sera répartie devront, dans le délai de trois mois à compter du jour où la notification leur aura été faite aux termes de l'article 46 de la part qui leur incombe respectivement dans les charges annuelles visées dans l'article 46, donner au Conseil de la Dette des gages suffisants pour garantir le paiement de leur part. Dans le cas où ces gages n'auraient pas été constitués dans le délai susindiqué, ou en cas de divergence sur la convenance des gages constitués, il pourra être fait appel au Conseil de la Société des Nations par tout Gouvernement signataire du présent traité.

Le Conseil de la Société des Nations pourra confier aux organisations financières internationales existant dans les pays autres que la Turquie et entre lesquels la dette est répartie, la perception des revenus donnés en gage. Les décisions du Conseil de la Société des Nations seront souveraines.

ARTICLE 47.

Dans le délai d'un mois à compter du jour où il aura été procédé à la détermination définitive, conformément aux stipulations de l'article 46 *ter*, du montant des annuités incombant à chacun des États intéressés, une commission sera réunie à Paris en vue de fixer la répartition du capital nominal de la Dette publique ottomane. Cette répartition devra être faite d'après les proportions adoptées pour le partage des annuités et en tenant compte des stipulations des conventions d'emprunt ou d'avances, ainsi que des dispositions de la présente section.

La commission prévue à l'alinéa 1 sera composée d'un représentant du Gouvernement turc, d'un représentant du Conseil de la Dette publique ottomane, d'un représentant de la Dette autre que la Dette unifiée et les Lots turcs, ainsi que du représentant que chacun des États intéressés aura la faculté de désigner. Toutes questions sur lesquelles la commission ne pourrait arriver à un accord seront déférées à l'arbitre prévu à l'article 46, alinéa 4.

Au cas où la Turquie déciderait de créer de nouveaux titres en représentation de sa part, la répartition du capital de la Dette sera faite, en premier lieu, en ce qui concerne la Turquie, par un comité composé du représentant du Gouvernement turc, du représentant du Conseil de la Dette publique ottomane et du représentant de la Dette autre que la Dette unifiée et les Lots turcs. Les titres nouvellement créés seront remis à la commission, qui en assurera la délivrance aux porteurs dans des conditions constatant la libération de la Turquie ainsi que le droit des porteurs à l'égard des autres États auxquels incombe une part de la Dette ottomane.

Le paiement des annuités incombant à chacun des États intéressés ne pourra pas être différé par suite des dispositions du présent article relatives à la répartition du capital nominal.

ARTICLE 48.

La répartition des charges annuelles visée par l'article 45 et celle du capital nominal de la Dette publique ottomane dont il est fait mention à l'article 47 seront effectuées de la manière suivante :

1. Les emprunts antérieurs au 17 octobre 1912 et les charges y afférentes seront répartis entre l'Empire ottoman tel qu'il existait à la suite des guerres balkaniques 1912-13, les États balkaniques en faveur desquels un territoire a été détaché de l'Empire ott oman à la suite desdites guerres, et les États auxquels les îles visées à l'article 12 du présent traité ont été attribuées ; il sera tenu compte des changements territoriaux intervenus depuis la mise en vigueur des traités qui ont mis fin à ces guerres, ou des traités postérieurs.
2. Le solde des emprunts restant à la charge de l'Empire ottoman après cette première répartition et le solde des annuités y afférentes, augmentés des emprunts contractés par ledit Empire entre le 17 octobre 1912 et le 1er novembre 1914, ainsi que les annuités y afférentes, seront répartis entre la Turquie, les États auxquels les îles visées à l'article 15 ont été attribuées, les États nouvellement créés en Asie, en faveur desquels un territoire a été détaché de l'Empire ottoman en vertu du présent traité.

ARTICLE 49.

Le montant de la part incombant à chaque État intéressé sera déterminé comme suit :

1. En ce qui concerne la répartition prévue à l'alinéa 1 de l'article 48, il sera d'abord procédé à la fixation de la part incombant à l'ensemble des îles

visées à l'article 12 et des territoires détachés de l'Empire ottoman à la suite des guerres balkaniques. Le montant de cette part devra être, par rapport à la somme totale exigée pour le service de la Dette publique ottomane, dans la même proportion que le revenu moyen total des îles et des territoires susmentionnés, pris en commun, par rapport au revenu moyen total de l'Empire ottoman pendant les années financières 1910–11 et 1911–12, y compris le produit des surtaxes douanières établies en 1907.

Le montant ainsi déterminé sera ensuite réparti entre les États auxquels ont été attribués les territoires visés dans l'alinéa précédent, et la part qui de ce fait incombera à chacun de ces États devra être, par rapport au montant total réparti entre eux, dans la même proportion que le revenu moyen du territoire attribué à chaque État par rapport au revenu moyen total—pendant les années 1910–11 et 1911–12—de l'ensemble des territoires détachés de l'Empire ottoman à la suite des guerres balkaniques et des îles visées à l'article 12. Dans le calcul des revenus prévus par le présent alinéa, il ne sera pas tenu compte des recettes des douanes.

2. En ce qui concerne les territoires détachés de la Turquie en vertu du présent traité, le montant de la part incombant à chaque État intéressé devra être, par rapport à la somme totale exigée pour le service de la Dette publique ottomane, dans la même proportion que le revenu moyen du territoire détaché par rapport au revenu moyen total de l'Empire ottoman, diminué de l'appoint des territoires antérieurement détachés visés au paragraphe précédent. Les revenus moyens des territoires détachés en vertu du présent traité, aussi bien que ceux de l'Empire ottoman tout entier, seront déterminés dans les conditions fixées par le deuxième alinéa du présent article.

No. 178.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 4.)

(No. 265.)
(Telegraphic.) *Constantinople, May 3, 1923.*

YOUR telegram No. 142.

Having no reason to believe that there was any truth in Mr. H. Tubini's information, I saw latter to-day. He explained that what he had intended to convey to his company was that Turkish Government would not be willing to discuss question of compensation to indemnify losses with purely foreign companies. Borax Consolidated's only reason for negotiation is in connection with its claim for compensation as a result of mine being worked by Turks during the war and with royalties which company, as set-off against those losses, has not paid since mine was again taken over.

Representatives of French concessionary companies are now arriving here, and representative of Italian companies leaves for Angora to-morrow.

Nevertheless, situation is still not sufficiently clear to induce me to advise immediate departure of British representatives from London, especially now that practically all British concessionary companies, by sending in formal applications, have secured their position. I doubt, for instance, whether prepartions for accommodation at Angora are completed.

I shall see Turkish representative on 5th May and endeavour to ascertain position more accurately.

No. 179.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 4.)

(No. 267.)
(Telegraphic.) *Constantinople, May 4, 1923.*

(R.) TURKISH police yesterday removed from orphanage run by Armenian Relief Committee, under auspices of American Near East Relief, twenty-one Armenian children, alleging that they had originally been Moslems. These orphans are some of those recovered after armistice through efforts of this High Commission after careful investigation in each case, and they were left behind when practically all Armenian orphans here were evacuated in November last.

Action of Turks is contrary to article 5 of amnesty declaration, which has been accepted by the Turks. I am therefore addressing protest, which my Allied colleagues will join in, to Adnan Bey asking that children be returned to orphanage until their cases can be reviewed as provided for in above article. Armenian Committee is also endeavouring to enlist support of American High Commissioner. (End of R.)

I have little hope that protest will be effective, but suggest matter might usefully be taken up with Turks at Lausanne.

(Sent to Lausanne, No. 81.)

No. 180.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 5.)

(No. 29.)
(Telegraphic.) [By Bag.]

Lausanne, May 3, 1923.

THE third committee this morning discussed articles 116 and 117 and the fiscal clauses (article 10 to 17) of the convention respecting the régime applicable to foreigners.

Article 116. The Turks maintained that this article was unnecessary because the first sentence was being dealt with in the article relating to the abolition of the Capitulations, and the second sentence was dealt with by the proposed commercial convention. No difference in principle arose, and the article was referred to the jurists.

Article 117.—This article was also referred to the jurists, the Turks arguing that it was also unnecessary, but this view was not accepted by the French and Italian delegations.

Article 10 of the convention respecting the régime applicable to foreigners was accepted.

Article 11.—The Turks objected to the words "civiles ou" at the beginning of the article, and this point was referred to the jurists for examination. No objection was raised by the Turks to the insertion of words limiting the application of the last part of the second paragraph to cases in which the central management and control is outside Turkey, but the Turkish delegation suggested that part of the paragraph was unnecessary, and this point was referred to experts.

Article 12. The Turks objected to this article, and were not at the moment prepared to accept the article with the modifications agreed upon in London. The Turkish proposals were declined by the Allied representatives, and the article was referred to experts.

Articles 13 *and* 14. These articles were accepted.

Article 15.—The Turkish delegation maintained that the first paragraph was sufficiently dealt with in the declaration which they proposed to add to the convention, and it was agreed to deal with this paragraph in that declaration. The Turkish delegation accepted the principle of equality, but they declined to agree to any preferential treatment such as is provided for in the second paragraph.

Article 16.—This article was accepted in the form proposed in the Turkish counter-project subject to a slight drafting alteration to be considered by the Drafting Committee.

Article 17.—No objection was raised in principle, but the Turks did not accept the period of ten years. The article was referred to the jurists for consideration of a clause to cover the whole convention, and not merely the fiscal clauses.

No. 181.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 5.)

(No. 30.)
(Telegraphic.) [By Bag.]

Lausanne, May 3, 1923.

GENERAL PELLÉ informs me that on his return from Paris he spoke to Ismet Pasha about the Turkish concentrations on the Syrian frontier in the same terms as the French Chargé d'Affaires at Constantinople had been instructed to speak.

A Reuter telegram from Constantinople received here yesterday represents the French Chargé d'Affaires at Constantinople as having stated that, unless the Turks withdrew their troops from the Syrian frontier, the French representatives would leave the Lausanne Conference.

General Pellé explains that, put like this, the French *démarche* would have the appearance of an ultimatum. What he said to Ismet was that it would be difficult for France to continue negotiating under the threat of the menace of Turkish concentrations on the Syrian frontier.

General Pellé's *démarche* produced a great effect on the Turkish delegation here.

No. 182.

The Marquess of Crewe to the Marquess Curzon of Kedleston.—(Received May 5.)

(No. 455.) [By Bag.
(Telegraphic.) *Paris, May 4, 1923*

LAUSANNE correspondent of the "Journal des Débats" declares that England, owing to her firm and realist policy, and owing also to the numerous errors committed by France, has now succeeded in dragging Turkey in her orbit. The French were now placed in a position in which they would be the only ones to bear responsibility for a failure of the conference, and if peace were signed it would be to their disadvantage. On the British side, on the contrary, the future had been looked forward to with perfect security. Whenever an English question was raised in committee, the British and Turkish delegates with one voice declared that they would come to a friendly arrangement, and on no single occasion had the slightest conflict arisen between Sir Horace Rumbold and Ismet Pasha. There was, moreover, proof that in order to proceed to its attempted intimidation on the Syrian frontier, the Angora Government had without hesitation disorganised the Chanak and the Mesopotamian fronts. An imprudent Turk had even asserted recently to a member of the French delegation that the English were secretly encouraging that francophobe mobilisation. Other signs were not wanting to prove that a *détente* existed between the two adversaries of January last, and certain persons asked themselves whether still more precise conclusions should not be drawn. It was clear that at the preceding conference, when your Lordship had suddenly agreed to the Turks claiming a war indemnity from the Greeks, so unexpected a concession was not obtained without some corresponding counter-concession. Of course, England by no means inspired Angora with sympathy, but, what was far more important, she was respected and feared. As to the sentiments of the Turks towards France, they partook of the nature of contempt, and even hatred. If last January, instead of counting with so much credulity on the Turks, the French had been at one with their allies, their position would not have been compromised as it was to-day; and it would be difficult to raise the slightest protest, for certain souvenirs were too near for France to be able to ask her allies those services which she had refused them in identic circumstances.

No. 183.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 5.)

(No. 155.)
(Telegraphic.) R. *Athens, May 5, 1923.*

YOUR telegram No. 68.

I communicated message by private letter to Ministry for Foreign Affairs, adding that alleged intervention of destroyer had not been explained.

Last night I received a private letter in reply from head of Political Bureau stating that there is no fear of incidents as suggested. Letter justifies formation of corps of volunteers to strengthen army in Thrace so long as there is a danger of renewal of hostilities, but adds that there was never question of immediate despatch to Western Thrace. Volunteers are concentrated in Macedonia under strict military discipline.

Letter adds that destroyer, in spite of orders not to approach the coast of Asia Minor, proceeded thither in order to rescue Greek refugees concentrated on the coast opposite Samos, and justification is therefore claimed on the ground of humanity.

Letter admits possibility of some Circassians whose families remained in Asia Minor on coast, but states that this was not encouraged by Government, who opposed it whenever they heard about it.

Copies of correspondence by bag.

Reports now reach me of formation of volunteer bands at Volo for operations in Thrace, but I trust that timely warning may prevent incidents

(Repeated to Constantinople, No. 64.)

No. 184.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 12.)
(Telegraphic.) *Foreign Office, May 5, 1923.*

YOUR telegram No. 26 of 2nd May: Turkish protest regarding Mosul operations.

Line which you should take in replying should be, firstly, that we do not regard any repercussion on Turkish side of *de facto* frontier of any action on our side as breach of *status quo*, unless our action was in any way directed against Turkey, nor would we complain in converse case, unless in our opinion Turkish action was directed against ourselves or Irak Government. Should Ismet contend that he regards Rowanduz as on Turkish side of *de facto* boundary, you should reply that we do not agree and that temporary evacuation of Rowanduz by our forces and its reoccupation as an administrative measure to preserve public security in no way affect fact that whole Mosul Vilayet with addition of Amadieh has been in our effective occupation for last four years. (We cannot say since the armistice, because of our lateness in occupying Mosul.)

If Ismet then proceeds to accuse us of attacking a Turkish force you can in last resort quote from captured correspondence (which has gone to you by bag) as proof that Turkish action was directed against maintenance of *status quo* long before any action by us.

No. 185.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 6.)

(No. 31.) [By Bag.]
(Telegraphic.) *Lausanne, May 4, 1923.*

THE First Committee met this morning to discuss the question of the declaration regarding the administration of justice in Turkey

I held a meeting with my Allied colleagues yesterday afternoon to decide upon our course of action. We adopted with slight modifications a redraft of the declaration prepared by the Allied jurists in accordance with the London decisions. Foreseeing that the question of the position regarding the Montagna formula would inevitably come up in the committee, I told my colleagues that I should prefer to take the initiative in regard to this rather than leave it to the Turks. I read to them a draft statement which I had prepared. This draft emphasised the fact that anything put forward by M. Montagna on the evening of 4th February could only have the character of a personal suggestion. M. Montagna begged me not to read my statement in this form, as he said he was in a very difficult personal position. He maintained that, before leaving your room on the evening of 4th February, he had touched up the declaration so as to give it the form now associated with his name. He said that he had taken this new draft to the Lausanne Palace with the authority of the Allied delegates, and that it had actually been accepted by Riza Nour Bey, only to be rejected immediately after by Ismet Pasha. I demurred strongly to M. Montagna's statement that he had propounded this formula with your Lordship's authority. I said that I myself had been present throughout, and that I had no knowledge of a new draft having been produced before MM. Montagna and Bompard

went to visit the Turks. I agreed, however, in response to M. Montagna's pathetic appeal to reword my statement in a form which would not give him away.

At the outset of this morning's proceedings in the committee, I read a revised statement which I had drawn up with great care. I said I wished to dissipate a misunderstanding which appeared still to exist. I insisted that the Montagna formula had never been an official Allied draft. It had been produced at the last moment in the hope of rendering possible the immediate signature of a Peace Treaty on 4th February. This hope not having been fulfilled, both sides remained as they were at the end of the meeting in your room of 4th February. I expressed all the more surprise at seeing it stated in the Turkish note of 8th April that the Allies had accepted the formula, as I myself, on my return to Constantinople, had caused the true situation to be explained to Ismet Pasha. I went on to say that the Allies, in fulfilment of their promise to endeavour to harmonise their own draft of 3rd February as much as possible with the Turkish proposal, had prepared a new draft, which would be circulated at the end of the meeting, and which I proposed should be referred to the Drafting Committee. I drew attention to the one important difference between this draft and that proposed by the Turks, viz., our insistence on the special provisions regarding arrests, &c. I begged the Turkish delegation to consider our proposal in a conciliatory spirit, as we had done our utmost to reconcile their concern for Turkey's sovereign rights with our own concern for the interests of our subjects.

A long discussion followed in an atmosphere of considerable tension. Ismet Pasha began by insisting that the Montagna formula had been put forward in the name of the Allies and had been accepted by the Turks as an Allied proposal. He admitted in the course of debate that this acceptance had not been given until the day after your Lordship had left Lausanne. He quoted a statement attributed to the Secretary-General of the Conference to the effect that M. Bompard had agreed to the formula. He also quoted a letter written by Colonel Mougin at Angora, into which he read its acceptance by the French Government. He also endeavoured to maintain that by coming to the conference after the Turkish Government had defined its position in its note of 8th April, the Allies had accepted the Turkish contention as one of the bases of the conference.

My colleagues and I reiterated in turn the Allied point of view. M. Montagna explained his personal part in the matter with as much plausibility as was possible under the circumstances. General Pellé argued with great force that any statement by M. Bompard could only have been an expression of his personal opinion at the time when it was made, and that Colonel Mougin's letter, which in any case, had not been written by an accredited representative of the French Government, went no further than what M. Bompard had said. I reaffirmed in the course of the debate what I had said about my own communication to Ismet Pasha after my return to Constantinople, and observed that the only reply that I had received was that it had placed him in a very difficult position.

All our efforts failed to induce Ismet Pasha to abandon definitely his contention that the Montagna formula was in the nature of an Allied proposal. We brought him down, however, to the point of claiming little more than that the French and Italians had committed themselves to it. He gradually shifted his ground to the contention that the formula, as reproduced in the Turkish counter-proposals, represented the maximum sacrifice which Turkey could make. He declined my proposal to refer the matter to the Drafting Committee unless it were laid down that all the Drafting Committee had to do was to adopt the Turkish draft. When I rejected this preposterous suggestion he said that the Turkish delegation could go no further. He appealed to the opinion of the world, which he said would see that Turkey had made the utmost concessions in order to secure peace, and that it was the Allies who stood in the way. We wished, he said, to impose on Turkey a system such as existed in no independent country. He accused us of treating Turkey as an inferior in spite of all our professions to the contrary and of seeking to substitute a new form of Capitulations for the old. I exclaimed at this and retorted that, if the Turks refused even to look at an Allied proposal, the verdict of the world would be very different from what he anticipated. The Allies had not refused to consider a single Turkish proposal, and the Turkish delegation would be unable to defend their refusal to consider one of ours.

It was pointed out to Ismet Pasha that the only question which it was proposed to refer to the Drafting Committee was the question of the range of powers to be conferred by Turkey in the exercise of her sovereign rights on legal counsellors whom

she was prepared to engage, who would be Turkish officials, and on whom certain powers would be conferred in any case. None of the arguments used availed to move Ismet Pasha from his position. In the end I warned him that if he persisted in his refusal even to discuss our draft he would compel us eventually to put it forward on its present form as part of the treaty and its annexes. I closed the discussion by stating that the Allied proposal would be circulated after the meeting, and that the matter would be again taken up at a later stage. Ismet Pasha said that the Turkish delegation must maintain their attitude.

My colleagues and I displayed absolute unity throughout this discussion. Towards the end of the debate Mr. Grew intervened with a useful though somewhat guarded statement welcoming the expression of readiness on the part of the Turks to make a declaration, and saying that he would be happy to see this declaration drawn up in a form acceptable to the United States in connection with any revision of existing treaties which might be agreed upon with Turkey. His Government would, he said, attach great importance to the functions of the legal counsellors being clearly defined in the declaration, *e.g.*, as regards domiciliary visits, searches, arrests and measures of detention. Ismet Pasha at once said that the United States delegation had also agreed to the Montagna formula, and referred to a visit paid to him on the evening of 4th February by Mr. Child, Admiral Bristol and Mr. Grew himself. This elicited from Mr. Grew a statement that anything which he and his colleagues had done on that occasion was intended to promote the conclusion of peace, and that they had not entered into any commitments either on behalf of the United States or of the Allies.

The impression which I derived from these proceedings is that Ismet Pasha is very worried over the whole business, but that he is so bound down by his instructions from Angora that he dare not waver. He remarked significantly to Mr. Ryan after the close of the meeting that it was only the British who blocked the way, and that the others—meaning the French and Italians - were in line. He is coming to see me this afternoon. I will report separately what he says. I am sending home by King's Messenger this evening copies of the new Allied draft declaration, my opening statement at this morning's discussion and Mr. Grew's statement regarding the attitude of the United States Government

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No. 186.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 6.)

(No. 32.) [By Bag.]
(Telegraphic.) *Lausanne, May 4, 1923*

MY immediately preceding telegram.

After adjourning the discussion of the judicial declaration in the First Committee this morning, I went on to the amnesty declaration.

On the first article, General Pellé asked the Turks whether the expression "inhabitants of Turkey" included persons who were no longer resident there. He suggested that the declaration would be more explicit if it were made to apply to inhabitants and former inhabitants. It was agreed that this point should be discussed in the Drafting Committee.

M. Veniselos said he wished to reserve the right to make a statement at the end of the discussion on a point which he had raised during the first stage of the conference as to the unwillingness of the Greek Government to promise a general amnesty to military offenders. Munir Bey observed that the Turkish acceptance of the declaration was dependent on its being accepted by the other parties.

M. Veniselos said that the point at issue was one on which he was in full agreement with the Turks. The question was one between Greece and the Allies. Having said so much, he might as well make his statement at once. He had, he said, previously pointed out to the Allies that they could not, having regard to their position *vis-à-vis* of Greece in the conference, impose on the Greeks a measure of the kind contemplated in the draft declaration. Greece was prepared for a complete amnesty for political offenders, and had, indeed, already accorded it. She could not accord an amnesty for military offences, which would bar proceedings against those responsible for the catastrophe in Asia Minor. The demand that she should do so was inadmissible. It might be necessary for the Greek Government to accept the

declaration as drafted, and he might even be driven to advise them to do so under pressure. If, however, things came to that pass, he would not himself put his signature either to the declaration or to the treaty to which it was to be annexed.

I averted further discussion by telling M. Venizelos that I should prefer to discuss the matter with him outside the conference before it went further.

We agreed to the insertion of the words "or military" in paragraph 2.

I explained the various objections on our side to the article which the Turks wish to insert after article 3. Following closely the recommendations in the report of the General Committee of the inter-Allied meeting held in London in March, I suggested that the article should be referred to the Drafting Committee with directions to revise it in such a way as to meet these objections. Munir Bey observed that the principle of the Turkish additional article had been agreed to during the first phase of the conference. It was agreed to refer the question to the Drafting Committee.

The Turks objected to the Allied proposal to maintain the words "the President of" in article 5. I explained the reasons of practical convenience in favour of this, and it was agreed that the matter should be discussed in the Drafting Committee

I suggested that it would be preferable to deal with the exceptions covered by the Turkish draft protocol annexed to the declaration by an exchange of notes. It was agreed that this matter should also be referred to the Drafting Committee, where I will see that the subsidiary points raised at the inter-Allied meeting in London are adequately discussed.

No 187

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 6.)

(No. 33.) [By Bag.]
(Telegraphic.) *Lausanne, May 4, 1923.*

MY telegram No. 31.

Ismet Pasha came to see me this afternoon. I knew at once that he had come to discuss the question of the declaration regarding judicial safeguards for foreigners in Turkey. He appeared to be greatly worried. Although he was difficult to follow at times, I think I have accurately reproduced his statements and line of argument.

He began by saying that the proceedings at this morning's sitting of the First Committee had produced a painful impression on him. He had not expected that the British delegation would have played such a prominent part in disputing the Turkish contention that the question of judicial safeguards for foreigners had been settled by the acceptance of the Montagna formula, and by insisting on the reference of the Allied draft declaration to the legal experts. He contended that this proceeding on the part of the British delegation would completely disarm him *vis-à-vis* public opinion in his own country.

He stated that at the first conference he had settled all the questions in which Great Britain was mainly interested. When he had defended his actions in the Grand National Assembly at Angora after his return from Lausanne, he had always taken the line that the questions in dispute between Turkey and Great Britain had been settled, and that this settlement constituted the basis on which Turkey might hope to conclude peace with the Allies generally. This basis was disturbed by the insistence of the British delegation in bringing up again a question on which Turkish opinion was very sensitive, and which he had declared to his compatriots had been settled by the acceptance of the Montagna formula by the Allies

He went on to say that he was in a very difficult position. He wished to explain one point which he could not explain in committee this morning, namely, that Turkey had a convention with Russia, and any advantages which the Allies might secure under the declaration providing judicial safeguards for foreigners would have to be extended to the Russians, Greeks and others. This meant that the Turkish judiciary would be hampered in its dealings with Russian Communists for instance. I at once remarked that I was convinced that the legal experts would be able to get over this difficulty, and that I could not admit that, because the Turks had a convention with the Russians, our nationals should not enjoy such judicial safeguards as we might be able to procure for them

I then went over much of the ground covered by the discussions this morning, and I said that I had, with your authorisation, taken the earliest opportunity after my return to Constantinople to explain that my Government could not be bound by anything which had happened after you had left Lausanne with the British delegation on 4th February. I had repeated this statement when Adnan Bey had handed me Ismet Pasha's note of 8th April. We had, therefore, acted with the greatest frankness. Ismet Pasha said that he had acted with equal frankness. As he continued to suggest that the British delegation had, so to speak, gone back on him, I reminded him that the two questions on which the first conference had broken down were the questions of judicial safeguards for foreigners in Turkey and the reservation of the economic clauses, both questions interesting our allies as much as, if not more than, they did ourselves. He could not have expected these questions to be shelved. I said that I could not understand his refusal to submit to the legal experts the Allied draft declaration regarding judicial safeguards which had been drawn up on the basis of the Turkish draft. Since the conference had been resumed, the Allies had faithfully gone through the Turkish counter-draft, which had raised such questions as the withdrawal of paper money, the island of Castelorizo, &c. Now the Turks refused to consider an Allied counter-draft about one question. Public opinion would not understand this, and the Turkish delegation would cut a deplorable figure. He would notice this when he came to read the press to-morrow. Ismet Pasha said that if I had accepted the Montagna formula this morning the work of my committee would have been brought to a successful conclusion. As it was, however, we had reached a deadlock. I replied that we must find a way out of this deadlock, and we could not do better than begin by seeking the assistance of the legal experts. He had not even seen the Allied draft. He was free to give any instructions he liked to Munir Bey, but it was essential that the legal experts should meet. I added that it was inconceivable that our negotiations should break down over this business and that we must get peace this time

As the conversation proceeded, he became more and more dejected. I urged him to reflect on what I had said, and when he got up to go he said that he would see what could be done. I would not like to say more than that this conversation shook him considerably, because, although it was obvious that he came to make a strong bid for our support, or, to put it another way, to get me to agree to abide by the Montagna formula, he discovered that I was solid with the Allies in insisting upon an examination of the Allied draft.

No. 188.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 6.)

(No. 269.)
(Telegraphic.) R. *Constantinople, May 6, 1923*

[GROUP undecyphrable.]

Adnan Bey informs me that all preparations have been made for reception of representatives of foreign companies at Angora and that Turkish Government does not propose to answer applications of companies, but is ready to begin negotiations at once with all companies which have applied.

I therefore see no reason to delay any further departure of British representative from London.

No. 189.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 6.)

(No. 270.)
(Telegraphic.) *Constantinople, May 6, 1923.*

(R.) TURKISH authorities forcibly closed and sealed up this afternoon all three branches of Bank of Athens in Constantinople.

Turkish representative was calling at Embassy when news was brought to me. I told him that an arbitrary act of this kind could not be tolerated so long as Allied troops were in occupation of Constantinople, that it would produce unfortunate impression abroad and at Lausanne Conference, that it was contrary to the spirit of

agreement with Refet Pasha whereby arrests of Greeks could only be effected through Allied police, and that if seals were not taken away by Turks by Monday it might lead to incident, as Allied police would probably be instructed to remove them.

Adnan professed ignorance, but declared that Bank of Athens was semi-official Greek Government establishment, and that its operations could not be permitted so long as state of war existed with Turkey. He was, however, perturbed and gave spontaneous assurance that no other banks would be interfered with, that nothing in bank would be touched, and that it would be allowed to reopen as soon as peace was signed with Greece. I said that I must consult my Allied colleagues and strongly advised him to have the seals removed before Monday. He said that he was helpless as orders must have come from Angora. (End of R.)

(D.) My Italian colleague was strongly averse to taking, without prior authority from Governments, action which might lead to serious consequences as a result of intervention on behalf of Greek establishment, while agreeing that if an Allied institution was concerned, immediate forcible action would be justified. We consequently concurred in deciding to report to our respective Governments and to ask authority to inform Turkish representative that if seals were not removed within time limit, Allied police would see to their removal. Only other alternative would be to accept *fait accompli* on condition of receiving formal assurances in the sense of those given to me by Adnan. I suspect my Italian colleague of preferring latter alternative.

I agreed to await instructions, because, if display of force has to be made with risks involved (though I do not believe them to be great), I would prefer myself to make it on behalf of an Allied, and not a Greek institution. (End of D.)

But since seeing my Allied colleagues I learn that Bank of Athens are official agents of Cox and Co. and only bank here that is compelled by agreement to accept army cheques, in practice latter are, I understand, almost exclusively cashed through National Bank, which is British. This would give General Harington and myself grounds for action irrespective of Italian consent. Moreover, though bank is Greek, board of directors is in Paris and capital largely French. French, therefore, are likely to co-operate.

I shall, therefore, let Adnan know that I hear that bank are agents for Cox's and give him further warning. If he does not comply I should be glad of urgent instructions as to whether I am authorised to ask General Harington to use force if French co-operate. Two branches are in British and one in French sectors of Allied police. My own opinion is that action of Turks is a try on and that they will yield. Objection is that there are three branches which will mean constant supervision and perpetual risk of incidents. Though I do not regard agreement with Refet, which specifically mentioned arrest of persons as covering case, it is an arbitrary act committed while we are at least in theoretical occupation, and, if tolerated, is likely to encourage Turks to other similar acts.

I shall see General Harington to-morrow and get his considered opinion.

(Repeated to Lausanne.)

No. 190.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received May 6.*)

(No. 273.)
(Telegraphic.) *Constantinople, May 6, 1923.*

FOLLOWING is appreciation of general situation :—

Disorganisation and administrative chaos in Turkey is everywhere increasing. Pay of officials and even troops is months in arrear. Latter are, I believe, on unpaid requisitions. Prolonged mobilisation has caused another seed-time to be lost. Both army and peasants are therefore dissatisfied. Great incentive to united resistance and endurance disappeared when Greeks were driven out of Smyrna and Adrianople was recovered. Unless some fresh stimulus can be found Turkey will consequently tend to become more and more disunited and consequently weaker.

Intrigue and espionage are already growing to proportions probably equal to those of Abdul Hamid régime, while recent treason law has produced feeling of insecurity throughout the country. Great bulk of more intellectual population in

Constantinople at any rate is thoroughly anti-Angora, and the lower classes are dissatisfied owing to increase in cost of living as result of ill-considered legislation.

Even Kemalist officials, such as Prefect of Constantinople and chief of police, though latter was subsequently reinstated, are dismissed at a moment's notice. Nevertheless, precautions taken by Kemalists are such that their sweeping victory in elections, which are not likely to be completed before July, seems inevitable.

External position of Turkey appears weaker than at any time since last eighteen months. She has pushed too far her bluff with French, who incidentally, by their present firm attitude, have recovered much of their lost prestige. She has gone too far in her negotiations with Western Powers to be able to count longer on altruistic support of Russia, and recent despatch of Kiazim Karabekir to eastern front is a sign of the times.

She is faced with situation of insecurity on four fronts, Syria, Kurdistan, Caucasus and Thrace.

I hear from sometimes well-informed source that at meeting with his principal supporters about a fortnight ago Mustafa Kemal insisted upon necessity of peace at any price, and in reply to Reouf's objection that Grand National Assembly would not approve a peace which was not in accord with all points of National Pact, declared that if Assembly rejected peace he was prepared in last resort and in the interest of nation to make a *coup d'Etat* and establish military dictatorship.

Above report may well be true. Certainly for the moment the tide in Turkey's fortunes appears to have turned. External and internal insecurity may well convince the Kemalist's that not only Turkey's but their own position is perilous and can only be remedied by peace or "by desperate appliance." Though possibility of war cannot be entirely excluded, it has, I think, almost reached vanishing point, provided that the Greeks do not make ill-considered move and French firmness be not relaxed. War would be extremely unpopular, and, unless the Greeks intervene, nation would be apathetic while Turkey would be risking all her gains of the past six months. Peace, therefore, seems essential both for Turkey and the Kemalists.

In order to get the most favourable possible terms, Turks will doubtless continue to bluff until the last moment. But if it were possible to convince them that both France and ourselves were definitely prepared in the last resort for military action, peace could now be rapidly attained.

(Sent to Lausanne, No. 86.)

No. 191.

Mr. Henderson to the Marquess Curzon of Kedleston. (*Received May 6.*)

(No. 274.)
(Telegraphic.) *Constantinople, May 6, 1923.*

TURKS are greatly preoccupied over recent British military activities in Rowanduz area as calculated to render acute whole question of Kurdistan, and Adnan complained to me on the subject yesterday. I told him though I was unaware of exact scope of British operation it had been rendered necessary by action of Sheikh Mahmoud and encouragement given to latter from across the frontier. Adnan of course denied Turkish connivance and protested against operations in area, including Suleimanieh, which would be restored to Turkey in accordance with promise given by your Lordship at Lausanne for eventual rectification of Irak frontier. I denied that there has ever been any question of localities, but merely a suggestion to discuss a new *tracé*.

In the meantime there is report, though I cannot yet confirm it, that Turkish headquarters on south-eastern front have been transferred from Diarbekir to Mardin. It bears out, however, secret information that Turks at Angora were projecting concentration on Irak front as reply to British operations and as means of restoring Kurdish confidence in Turks, which had been greatly weakened by vigorous British action. It would also be in accordance with usual Turkish procedure as corollary to recent Turkish official communiqué which was telegraphed to London by press correspondents here regarding atrocities of British levies in Kurdistan.

(Sent to Lausanne, No. 87.)

No. 192.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 13.) *Foreign Office, May 6, 1923.*
(Telegraphic.)

YOUR Excellency's telegram No. 31.

You are quite right in saying that Montagna formula was neither produced nor even hinted at in my room on 4th February. Signor Montagna had no authority either to frame or to present it. Nor was I ever made aware of its contents until, after repeated requests, I obtained it from Rome a fortnight later. All that he told me at station was that his effort at conciliation had failed.

[E 4603 199 44] No. 193.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 7.)

(No. 265.) *Constantinople, May 1, 1923.*
My Lord,

THE past week has witnessed no important development in the preparations for the forthcoming Turkish elections, the local press having been principally occupied in reporting and commenting on the proceedings of the Lausanne Conference.

2. From such comments on the elections as have appeared, however, it is apparent that Mustafa Kemal's party is actively though quietly completing its organisation for sweeping the country when, on the conclusion of Bairam, the struggle, one-sided though it may probably be, will really open. The electoral lists are nearing completion, and the claims of the thousands of candidates for nomination are being scrutinised by a commission appointed by the party organisation.

3. In my despatch No. 248 of the 24th ultimo I had the honour to inform your Lordship that the "Second Group," which was expected to constitute the chief opposition to Mustafa Kemal's party, had deserted its headquarters at Angora. During the last few days most of its members have arrived in Constantinople, and it is reported that they will shortly commence the publication here of their organ, the "Tan," which has hitherto appeared in Angora. It is not yet definitely known, however, whether an active effort will be made by the group to secure the election of any of its members as Deputies for Constantinople.

4. Meanwhile there is little doubt that Mustafa Kemal and his party are seriously exercised regarding the fate of their candidates in Constantinople, which is expected to constitute the chief centre of opposition. For this reason it was at one time anticipated that several of the leading members of the party would be put forward in view of their prestige as candidates for Constantinople. It is possible, however, that it may be considered derogatory to be elected Deputy for a town which is still in "enemy" occupation. An invitation was in fact issued to Mustafa Kemal Pasha in the name of the electors here, but in his reply, after referring to the fact that the complete liberation of the town has not yet been realised, he expresses his regret at being unable to accept it.

5. It therefore seems more probable, in my opinion, that the task of opposing any Second Group or other opposition candidates will be entrusted to some of the lesser lights of the Kemalist party. In the event of the latter meeting with defeat, this could be attributed to the fact that the electors were prevented through foreign influence from registering their true wishes, whereupon it would doubtless be easy, after the evacuation of the town by the Allies, to secure the quashing by the Grand National Assembly of Turkey of the elections in so far as Constantinople is concerned and the holding of fresh elections, when adequate measures could be taken to ensure that only approved candidates obtained election.

6. I am sending copy of this despatch to Sir H. Rumbold.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

[E 4605/4/44] No. 194.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 7.)

(No. 268.)
My Lord, *Constantinople, May 1, 1923.*

I HAVE the honour to transmit herewith a copy of a letter dated the 25th ultimo, which I have received from Adnan Bey in reply to a note addressed by Sir Horace Rumbold to Schabeddin Adil Pasha on receipt of Athens telegram No. 134 of the 12th April to your Lordship, relative to the alleged deportation of Moslems from Western Thrace. No action is, I think, called for on this communication.

2. It is, however, worthy of note that the position of the Moslems in Western Thrace has recently been receiving a considerable amount of attention at the hands of the local Turkish press. Accounts of persecution and deportation are served up daily, and very thinly veiled threats of retaliation against the Greek population of Constantinople have been general.

3. When these reports of persecution first appeared, threats of reprisals were confined almost entirely to the more extreme section of the press, and therefore invited little serious attention. The position is now, however, rather different. So long as a considerable number of Greeks remained in Anatolia the Kemalist authorities had a means of retaliation ready to hand, but in the past few months this number has been considerably reduced as hardly to constitute, in the opinion of the Turks, an effective guarantee of good behaviour on the part of the Hellenic Government. Some organs of the local press have, in fact, gone so far as to admit this, and the unanimity with which, after weeks of silence, the threat of reprisals against the Greeks of Constantinople has been made forces me to the conclusion that it has been done at the direct instigation of the Turkish Government.

4. I do not wish to attach undue importance to these threats, the more so as the tales of persecution and deportations in Western Thrace are an obvious form of propaganda for the benefit of the Lausanne Conference. Nevertheless, both the reports of the ill-treatment of Moslems and the menace of reprisals against the Greeks have a certain significance, as indicating a state of mind which wishes to prepare the ground for certain eventualities.

I am sending copies of this despatch to Sir Horace Rumbold and Mr. Bentinck.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

Enclosure in No. 194.

Adnan Bey to Mr. Henderson.

M. le Haut-Commissaire, *Constantinople, le 25 avril 1923.*

J'AI eu l'honneur de recevoir la note responsive en date du 14 courant, par laquelle son Excellence Sir Horace Rumbold avait bien voulu m'informer qu'elle a fait des démarches nécessaires auprès du Gouvernement hellénique au sujet de la déportation des habitants turcs de la Thrace occidentale et que celui-ci affirme, de manière catégorique, qu'aucune mesure générale de la sorte n'a été appliquée à l'égard de la population de cette région.

Tout en remerciant le Haut-Commissariat de Sa Majesté britannique de l'intérêt bienveillant qu'il a témoigné envers cette population, je me vois dans la nécessité de revenir sur cette question et d'informer votre Excellence que, malgré les assurances du Gouvernement hellénique, la déportation des musulmans de la Thrace occidentale a pris de grandes proportions ces derniers jours et ainsi tous les habitants musulmans des villages de Badimé, Domouzdéré, Torbali, Téké-Keuy, Bey-Keuy, Dundji-Keuy ont été déportés et leurs biens et bestiaux saisis. De même, les habitants musulmans des villages Derbend, Tchoban-Keuy, Kara-Kir ont été expediés de Dede-Agatch à bord d'un bateau à une destination inconnue.

Lors même que le Gouvernement hellénique n'ait adopté une decision générale en ce qui concerne la déportation de la population musulmane de la Thrace, il n'en est pas moins vrai que les musulmans éloignés journellement de leurs foyers, sous des prétextes de différentes sortes, comptent par milliers, et que celle-ci prend un caractère général quant à ses conséquences.

En portant ce qui précède à la haute connaissance de votre Excellence, d'ordre de mon Gouvernement, je proteste énergiquement encore une fois, auprès des Hauts-Commissariats des Puissances alliées, contre la manière d'agir du Gouvernement hellénique, et je prie votre Excellence de vouloir bien interposer ses bons offices en vue d'y mettre fin.

Veuillez agréer, &c.
DR. ADNAN.

[E 4606/17/44] No. 195.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 7.)

(No. 269.)
My Lord, *Constantinople, May 1, 1923.*

WHEN discussing, in my despatch No. 248 of the 24th ultimo, the probable attitude of the Armenian community in Constantinople towards the forthcoming Turkish elections, I had the honour to refer to the apparent lack of success which had attended the efforts recently made by the Armenian Patriarchate to placate the Turkish authorities. Corroboration of this appreciation was furnished during the past week, when the extremist Turkish newspaper "Tewhid-i-Efkiar" launched, under the title of "A new Armenian Plot," a violent attack on the Armenian Patriarchate.

2. After referring to the formation of the Turco-Armenian Rapprochement Committee and to the decision of the Patriarchate that the Armenian community should participate in the elections, the newspaper went on to deal with the duplicity of the Armenians and particularly of the Patriarchate, and stated that, before his departure from Lausanne, a foreign representative privately approached the Patriarchate and requested that a new letter of confidence should be given to the Armenian delegation in Paris to replace the one given last year by ex-Patriarch Zaven. By that means, it was stated, that delegation would be the better able to defend the rights of the oppressed Armenians in Turkey. The desired letter of confidence was accordingly stated to have been given, the foreign delegate promising in return that the Armenian cause would have the full support of his Government during the discussions at Lausanne.

3. Outside Armenian circles, little importance was attached to this report, which was generally regarded as lacking foundation, but at the Armenian Patriarchate it came in the nature of a bombshell. The *locum tenens*, Mgr. Arslanian, hastened to assure Adnan Bey that the report was absolutely false, and also made a statement which appeared in all the local press, including the "Tewhid-i-Efkiar," which, however, maintained the truth of its previous report.

4. I have the honour to enclose herewith the statement of the *locum tenens*, as published in the "Journal d'Orient" of the 26th ultimo, and would invite your Lordship's particular attention to the passage in which Mgr. Arslanian states that the Armenian people, as well as himself, have no interest whatever in the question of an Armenian home. While it cannot but be admitted that the Armenian and Greek Patriarchates in Constantinople find themselves in a very difficult position, I cannot but think that the Armenian Patriarchate is doing itself little good by gratuitously taking up such an attitude, which incidentally contrasts very unfavourably with that followed within the last few months by the Greek Patriarchate. The statement of Mgr. Arslanian does, however, provide an answer of sorts to those Armenian delegations abroad which have been pressing for the creation of an Armenian national home and upbraiding the Allies for having abandoned their cause.

5. In conclusion, it may be remarked that Mgr. Arslanian is reported to have declared a few days ago to a press correspondent that he had reason to believe that the formalities regarding the recognition of his election as *locum tenens* of the Armenian Patriarchate would shortly be completed, but nothing further has yet been announced in this connection.

6. I am sending a copy of this despatch to Sir Horace Rumbold.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner

Enclosure in No. 195.

Extract from the "Journal d'Orient" of April 26, 1923

UNE DÉCLARATION DU PATRIARCHE DES ARMÉNIENS.

MGR. KÉVORK ARSLANIAN EFFENDI, Patriarche arménien, accompagné l'Artine Mostidjian Effendi, président de l'Assemblée laïque, a rendu visite hier à son Excellence Adnan Bey, représentant du Ministère des Affaires étrangères en notre ville.

Son Eminence a exprimé ses regrets au sujet d'une nouvelle parue dans un journal local et d'après laquelle le Patriarcat arménien aurait fait des préparatifs en vue d'un attentat. Son Eminence pria également son Excellence Adnan Bey pour qu'une enquête soit ouverte à cet effet en vue d'éclairer l'opinion publique. Mgr. Arslanian nous a fait hier à ce sujet les déclarations que voici :

"Les nouvelles que l'on a fait circuler à propos du Patriarcat arménien sont vraiment regrettables. Nous n'entretenons aucun contact avec les étrangers, et nous n'avons aucune personne d'aucune espèce d'autorisation. Si, vraiment, des préparatifs malveillants sont en cours, je tiens à ce qu'ils soient tirés au clair. Pour ma part, je puis vous affirmer qu'aussi longtemps que j'occuperai le siège patriarcal, de détestables incidents dans le genre de celui que l'on a voulu créer ne se produiront pas.

"Les Arméniens vivant en Turquie ont compris la vérité. Ils sont animés du désir de vivre fraternellement avec l'élément turc.

"Le peuple arménien s'est complètement désintéressé du 'home national' et de toutes les autres questions de ce genre. Il entend mener une existence tranquille, dans ce pays, et respecter pleinement les autorités établies. Je n'ai aucune connaissance de la nouvelle d'après laquelle on songerait à créer un foyer pour les Arméniens, au nord de la Syrie; d'ailleurs, toute cette question n'intéresse ni moi personnellement, ni le peuple arménien. Cela est si vrai que nous ne nous en sommes même pas occupés.

"Jusqu'à ce jour, on a beaucoup promis au peuple arménien, sans que jamais rien ait été réalisé. Peut-être veut-on essayer une fois de plus de se servir de notre peuple comme d'un instrument. Mais que ceux qui désirent semer à nouveau la discorde se détrompent: leurs manœuvres sont désavouées non seulement par les Arméniens de Turquie, mais aussi par tous les Arméniens conscients et honnêtes vivant à l'étranger."

No. 196.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 7.)

No. 34.) [By Bag.]
(Telegraphic.) *Lausanne, May 5, 1923.*

GENERAL PELLE, who has had several conversations with Ismet Pasha on the subject of the currency in which the interest on the Turkish debt is to be paid, tells me that the Turks have now worked out a memorandum showing the sums presumably reckoned at the present rate of exchange which they would have to provide in their budget according to the nature of that currency:—

1. Supposing the interest and sinking fund is to be payable in pounds sterling, the Turks would have to provide the sum of *thirty nine* million Turkish pounds sterling.

2. If interest and sinking fund on the unified debt were to be paid in pounds sterling, but the rest of the debt in francs, the annual charge for interest and sinking fund would be *twenty-two* million Turkish pounds.

3. If the interest on all the loans were to be payable in paper francs, the annual interest and sinking fund charge would be *fifteen* million Turkish pounds.

No. 197.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received May 7.*)

(No. 35.) [By Bag.] *Lausanne, May 5, 1923.*
(Telegraphic.)

WE arranged that there should be no meeting of any of the three main committees to-day, as it was considered advisable to allow the experts time to catch up the work of the main committees.

With the temporary adjournment of the discussion of the judicial declaration yesterday, my committee has reviewed all the work allotted to it, and since the work of neither of the two other committees is so advanced, I propose to obtain the consent of my Allied colleagues to treat in my committee articles 152–160, which have not yet been allocated.

As regards the clauses dealt with by my committee, agreement has not yet been reached on the following points: (1) The paragraph added by the Turks to article 1 regarding the evacuation by the Allies of occupied territory, on which discussion has been postponed; (2) the thalweg of the Maritza; (3) the final drafting of article 3 (i) and (iii); (4) article 12, the islands of Merkeb; (5) article 15, Castelorizo; (6) addition of a paragraph to article 16 regarding Turkish rights at Antioch and Alexandretta; (7) article 19, additional paragraph regarding nationality of Turks in Cyprus; (8) article 20, drafting alterations desired by Turks; (9) article 25, French and Italian reserve on paragraph agreed upon by Drafting Committee; (10) article 27, French and Italian reserve on paragraph added by Turks; (11) article 144, change desired by Graves Commission in paragraph 6 of annex; (12) additional article to Thrace Convention; (13) chapters I and 3 of the Convention for Foreigners, referred to the Drafting Committee; (14) various points in the amnesty clauses referred yesterday to Drafting Committee.

On the above-mentioned outstanding points good progress has already been made by the Drafting Committee, who have reached agreement on nearly all points in chapter I of the Convention for Foreigners. A committee of experts reached provisional agreement to-day on the clause to be added to the Thrace Convention. The Turkish delegation are considering our draft for the additional paragraph in article 19 (Cyprus nationality), and we are considering their counter-draft to our fresh draft of paragraph 6 in annex to article 144.

While the Italians are having considerable difficulty in private discussion with Turks over articles 20 and 27, it seems likely that agreement will eventually be reached without much difficulty on all points in the work of the First Committee enumerated above, except, probably, Castelorizo and the judicial declaration.

The work of the Second Committee is less advanced than that of the other two, partly owing to the difficult technical questions which have arisen on the debt, but mainly because of the inter-Allied disagreement regarding reparations.

As regards the financial clauses, only those relating to the distribution of the Ottoman Public Debt have been discussed up to the present.

The main controversial points are (taking the articles as numbered in the Turkish counter proposals):

1. *Article* 47.—Assignment of additional guarantees by Turkey for her share of debt, where necessary.
2. *Article* 50.—Treatment of railway loan
3. *Articles* 53–54.—Payment by Turkey of arrears of assigned revenues.
4. *Article* 56. Confirmation of Degree of Mouharrem.
5. *Annex I.*—Addition of advances of table of debt.
6. *Explanatory Note to Annex I.*—Exchange options in regard to the Ottoman Debt.

None of these main controversies have yet been solved, but nevertheless a great deal of useful and difficult work has been accomplished by making the technical and drafting alterations required in consequence of the decision to distribute the capital of the debt.

Agreement has, moreover, been reached on articles 17 and 19 (liberation of Turkey from liability for loans secured on the Egyptian tribute), and articles 45, 46, 48, 49, 51, 52 and 55 (with a temporary Italian reserve about the date from which the debt contribution of the Dodecanese should run). These articles deal with the distribution of the debt.

The experts are now discussing article 50 (railway loans) and the table of the debt. The difficulty is here with the Greeks rather than with the Turks, and no agreed solution is yet in sight.

The question of exchange options (which is the most important question at issue) and that of the confirmation of the Decree of Mouharrem have not yet been discussed by the experts, but General Pellé has formally declared (with the support of Signor Montagna and myself) that there can be no question of depriving the bondholders, by a clause in the treaty, of their right to obtain payment of the coupons in sterling, and that any such renunciation could only be by means of a voluntary arrangement between the bondholders and the Turkish Government. On this point and on the rejection of the proposal that the succession States should contribute to the cost of withdrawing Turkish paper money, we have made it quite clear at meetings of the Second Committee that no concessions will be made.

The Third Committee has reviewed all the economic clauses in the treaty except articles 94–100 (concessions), the discussion on which must be reserved until we learn the fate of the negotiations in Turkey between the concessionnaires and the Turkish Government. The same committee has also reviewed the second chapter of the Convention for Foreigners, and has only now to take the Commercial Convention, in which there are not understood to be any really difficult points.

The economic experts have now made a report dealing with the section relating to property (articles 72–81).

Reserves have been made by the Turkish delegation and by the Roumanian, Greek and Serbian delegations with regard to article 73 (relating to the search for property in the respective territories of those States, which has been seized and taken away by enemy armies).

Article 75 is subject to a reserve by the Allied delegations that some provision should be made in the assessment of taxes for persons who have suffered losses from the Smyrna fire. It seems probable that the Turks will agree to this.

Article 77.— A general reserve has been made by the Turkish delegation with regard to the working and constitution of the Mixed Arbitral Tribunal. This question has been referred to the legal experts, but it cannot be determined until the final form of the whole of the economic clauses is known approximately.

Article 78.—The Turks only accept this article, which deals with the continuation of claims made before the war against the Imperial Ottoman Government, on condition that its application is restricted to Great Britain, France and Italy.

Subject to these reserves, the articles (72–81) have been agreed by the experts.

In addition to the articles relating to property referred to above, the economic experts have also considered the articles relating to contracts (articles 82–93, together with the annex relating to insurance), and they will be making a report on this section very shortly.

Articles 82, 84, 85, 86, 88 *and* 89.—Agreement has been reached on these articles.

Article 83 *and the Insurance Annex.*—Agreement has been reached subject to one reserve made by the Turkish delegation on paragraph 3 of the insurance annex, which the British delegation will be unable to accept.

Article 87.—The Turks have suggested an alternative draft for this article, dealing with contracts entered into between Allied nationals and the Imperial Ottoman Government or the occupying authorities since the 30th October, 1918. The Turkish proposal is not satisfactory, and the matter will have to be considered in its general aspect, and not under the economic section alone.

Article 90 has been accepted in the Third Committee.

Articles 91 *and* 92.—It was agreed by the economic experts to delete these articles.

Article 93.—A small alteration has been suggested by the Turks, to which there is probably no objection in principle, subject to final examination by the jurists.

To sum up, the whole of the Turkish counter-proposals should have been reviewed by the three main committees by the end of next week or the middle of the week following, and, in a fortnight, the experts—finance, economic and jurist—should have reached agreement, where agreement is possible among the experts, on all matters referred to them. Apart from the question of concessions, the conference will then probably find itself faced with what I believe to be the four most difficult questions:

1. The judicial declaration;
2. Castelorizo;

3. Currency in which bondholders are to be paid; and
4. The liquidation of all Allied Acts since the Armistice in Turkey, and confirmation of Acts of the Constantinople Government from 1918 to 1922.

I do not regard the Turco-Greek reparation question as presenting the same difficulties of solution as the above.

No. 198.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received May 7.*)

(No. 36.) [By Bag.]
(Telegraphic.) *Lausanne, May 5, 1923.*

SIGNOR MONTAGNA called on me this morning.

He said that the proceedings in the first committee yesterday had shaken his position *vis-à-vis* the Turks, with whom he was now discredited. Immediately after the sitting they had openly reproached him with not honouring his bond. He had felt for some little time past that the Turks took little account of him. He had been to see Ismet three or four times (presumably about Castelorizo), and had always found him intractable. Ismet had never once been to see him.

The result of this was that his power to make the Turks drop their demand for Castelorizo was weakened. Moreover, the attitude of the Turks towards him prevented him from playing the same useful part as he had played during the first conference. In these circumstances, he thought that the only thing which would strengthen his position would be if we would help him to put through a deal about Castelorizo. If he could get this question out of the way he would be able to pull his proper weight in the boat.

I gathered that he had already offered to date back their contribution to the arrears of annuities for the Ottoman Debt, which would have to be taken over by them in respect of the Dodecanese to 1912 (as the Turks ask) instead of to 1914, if they would drop their claim to Castelorizo. But this bargain had not appealed to them. He wanted to throw in the thalweg of the Maritza and the Merkeb Islands.

I did not give Signor Montagna any encouragement. I told him that the moment was, anyhow, not ripe for the intervention of the plenipotentiaries. It would be much better to allow the committees of experts to agree on as many articles as possible. The time for our intervention would come later on—possibly the week after next. We should then find that we were faced with a certain number of unsettled questions, and we should have to decide on our course of action.

Signor Montagna, who appeared somewhat disappointed by my remarks, begged me nevertheless to explain his position to you, as he said that he thought you had appreciated the work he had done during the first conference.

No. 199.

Mr. Henderson to the Marquess Curzon of Kedleston. (*Received May 7.*)

(No. 275.)
(Telegraphic.) *Constantinople, May 6, 1923.*

MY telegrams Nos. 270, 271 and 272.

General Harington concurs, while representing desirability of not taking action before Turks have had definite warning that we intend to take it and sufficient time limit to consult Angora. He insists on indispensability of French co-operation, as, indeed, I do also.

Only drawback, to my mind, is the fact that Turkish action is technically same as our own during great war.

(Sent to Lausanne, No. 90.)

No. 200.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received May 7.*)

(No. 276.)
(Telegraphic.) R. *Constantinople, May 6, 1923.*

TURKISH reply to French note respecting concentrations on Syrian frontier was communicated to Acting High Commissioners here yesterday. While conciliatory in tone and full of protestations of desire for French friendship, it denies concentrations. So far from being warlike, it defines such transfers to the southern front as having taken place as troop movements with view of taking up peace positions.

It equally denies anti-French organised press campaign, and describes attacks on French by a free Turkish press as justifiable replies to anti-Turkish tone of French press. Reply is very long, and, so far as I gather from account given me by French Acting High Commissioner, seems to lead nowhere.

No. 201.

Mr. Henderson (*No. 91*) *to Sir H. Rumbold.* (*Repeated to Foreign Office; Received May 7.*)

(No. 279. Most Secret.)
(Telegraphic.) *Constantinople, May 7, 1923.*

I AM informed that Reouf has just told Ismet that Government cannot agree to modify Montagna formula and that should the Allies insist "rupture of conference would become imperative."

No. 202.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May 7.*)

(No. 37.)
(Telegraphic.) D. *Lausanne, May 7, 1923.*

YOUR despatch No. 23 and Constantinople telegram No. 270.

I am to-day addressing, jointly with my French and Italian colleagues, note to Ismet about opening safes in Smyrna banks. We ask that this measure should be cancelled. We refer in note to action against Bank of Athens in Constantinople as being calculated to react unfavourably on work of conference, though it is not a matter with details of which we have to deal, as it is being handled by Acting High Commissioners in Constantinople, and has been reported by them to Governments.

I have thought it better not to ask American observer to join us as he would almost certainly refuse, but I will inform him of action taken.

My personal opinion is that Turkish action against Bank of Athens should be forcibly rejected unless Turks yield very promptly to diplomatic representations.

Copy of joint note follows by King's Messenger.

(Repeated to Constantinople, No. 8.)

No. 203.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May 9.*)

(No. 38.) [By Bag.]
(Telegraphic.) *Lausanne, May 7, 1923.*

IN the Third Committee this morning the report of the economic experts on their examination of articles 72 to 81, a copy of which went by bag on the 5th instant (despatch No. 20), was considered.

Article 73.—All the reserves, except that of the Turks demanding the elimination of the words "y compris les espèces, titres et valeurs" from the first paragraph

of the article, were withdrawn. It was arranged that the chairman of the committee should discuss this with the Turkish representative with a view to coming to an arrangement if possible.

Article 75.—The reserve on this article was withdrawn on Ismet Pasha agreeing to write a letter, the terms of which are to be agreed, undertaking that, in collecting taxes for the year 1922–23, due regard should be had to losses suffered in the Smyrna fire.

Article 77.—The general reserve of the Turkish representatives with regard to the Mixed Arbitral Tribunal remains.

Article 78.—The Turkish reserve requiring that this article should apply only to Great Britain, France and Italy was accepted, but it was agreed that the article was to be redrafted in such a manner as to apply only to these Powers, while not drawing any distinction in principle between them and the smaller Powers.

Subject to the above, the articles prepared by the economic experts for this section of the treaty were approved.

The committee then considered the first four articles of the Commercial Convention.

The title was agreed to.

Article 1.—The suppression of article 1, as requested by the Turks, was agreed to.

Article 2.—The Turkish draft was accepted, on a satisfactory explanation being given as to the reason for their modification.

Article 3.—No difference in principle arose, but the article was referred to the experts to deal with certain small points.

Article 4.—It was agreed to adopt the Turkish draft, subject to the substitution of the word "sauvegarder" for the word "à" in the second line of the paragraph numbered (1°) and the suppression of the paragraph numbered (2°).

No. 204.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 9.)

(No. 39.) [By Bag.]
(Telegraphic.) *Lausanne, May 7, 1923.*

MY immediately preceding telegram.

At the end of this morning's meeting of the Third Committee, General Pellé explained that the next meeting of the Finance Committee would take place on 9th May. An earlier date was not possible owing to the delays caused in the meeting of financial experts on the articles referred to them about the debt, due to the desire of the Turks to draft the latter in such a way as to safeguard their attitude on the question of the currency in which the bondholders were to be paid. General Pellé therefore took the opportunity of begging the presidents of the various delegations to instruct their experts not to discuss the question of such reservations in these articles, since the delegations of the three inviting Powers had made it perfectly clear at the last meeting of the Finance Committee that there could be no question of modifying by any stipulation in the present treaty the relations between the Turkish Government and its private creditors, as laid down in the contracts between them. I supported General Pellé on behalf of the British delegation, and said that it was our view that no articles could be inserted in the treaty either increasing or decreasing the rights of the bondholders. I also quoted a telling passage from Ismet Pasha's note of the 8th March to the inviting Powers in which he asks for the suppression of the explanatory note to Annex I on two grounds, the second of which is that, "as has been observed already on many occasions, the relations of the Turkish Government with its creditors having a private character, such dispositions cannot find any place in an international act."

Ismet Pasha took the line that, whatever the theoretical or juridical position, if the Turkish Government had to pay their creditors in sterling, it would be found that they did not in fact possess the necessary resources. Inevitably, therefore, the conference must deal with this *de facto* situation, and examine the question of the exchange rates. He could not wait until after the treaty to regulate the matter direct with the bondholders. The Turkish Government wanted to see how they stood financially, and for this purpose it was necessary to include a settlement of this point in the treaty among the other financial questions.

General Pellé said that he did not think there was really so much difference of view between the Allied Governments and the Turkish Government. Ismet Pasha asked that the Turkish Government might be allowed to pay according to its capacity. All that the Allied Governments contended was that they had no power to interfere between the bondholders and the Turkish Government. Turkey must settle direct with the bondholders, and might begin to do so at once.

Ismet Pasha, as usual, reserved his point of view, while agreeing that the work of the financial experts should be expedited. It was, however, quite useful to have brought the matter up again, as it shows Ismet Pasha that on this point the Allies are determined to stand fast. He will probably continue to discuss the question privately with General Pellé and myself.

No. 205.

Sir H. Rumbold (No. 9) to Mr. Henderson.—(Repeated to Foreign Office; Received May 8.)

(No. 40.)
(Telegraphic.) *Lausanne, May 7, 1923.*

YOUR telegram No. 265 to Foreign Office.

I understand that Sir H. Lamb is due to arrive in Constantinople on 9th May. I feel most strongly that effort should then be made to speed up negotiations between concessionnaires and Turkish Government for two reasons.

Firstly, we do not wish to give Turks an excuse for saying there has been delay on our side. Secondly, it is probable that minor questions here will have been disposed of by end of next week. We shall then have relatively small number of important issues left. If concessionnaires' negotiations are then in a backward condition there will be great risk of work of conference being delayed at crucial stage because of them, which would be most unfortunate. Even should representatives from London be held up in Constantinople for some little time, loss of their time and money would be amply compensated by more general advantages.

I should be glad to know what, if any, British concessionnaires have not as yet filed applications, and for what reason.

No. 206.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 8.)

(No. 160.)
(Telegraphic.) R. *Athens, May 8, 1923.*

MY telegram No. 159.

Member of my staff was informed that after meeting of Cabinet attended by General Pangalos, it has been decided, in principle, to send Minister for Foreign Affairs to inform M. Venizelos of urgent necessity of clearing situation one way or other without further delay. Reported decision of conference to postpone settlement of indemnity is causing dismay. It is stated that M. Venizelos will be instructed, subject to his discretion, to inform Powers that if question is prolonged indefinitely, Greece will be forced to bring matters to a head by declaring at an end armistice, already broken by Turkey, unless Turks accept Greek terms within fixed period. It is argued that *moral* of troops will never be better than it is now (see my telegrams Nos. 120 and 143).

I may remind you that question of Serbian zone is now out of the way, whilst seizure of deposits in Greek banks is aggravating situation.

(Repeated to Constantinople and Lausanne.)

No. 207.

Mr. Bentinck to the Marquess Curzon of Kedleston. (*Received May 8.*)

(No. 161.)
(Telegraphic.) *Athens, May 8, 1923.*

MY immediately preceding telegram.

English ex-M.P., who is here on private visit, was invited this morning to see Minister of War, and Chief of Revolution[f omitted : ary Committee] was also present. They confirmed information given in my telegram above mentioned. They were warlike, particularly Colonel Plastiras, and declared that Kemal was bluffing and that Greeks could defeat Turks without foreign assistance.

It is probable that this was intended for my ear, but there is no doubt that General Pangalos is pressing and that warlike feeling is growing.

From another less reliable source I learn that Minister for Foreign Affairs will take with him to Lausanne necessary powers to succeed Veniselos in case he decides that he would rather retire than carry out instructions.

(Repeated to Constantinople and Lausanne.)

No. 208.

Mr. Henderson to the Marquess Curzon of Kedleston. (*Received May 8.*)

(No. 280.)
(Telegraphic.) D. *Constantinople, May 8, 1923.*

MY telegram No. 271.

Italian President of the Council has informed Italian High Commissioner that he is opposed to any action in connection with Bank of Athens beyond demand for formal undertaking that no act of confiscation be attempted.

(Sent to Lausanne, No. 92.)

[E 4671/4546/44] No. 209.

Allied Note to Ismet Pasha.—(Communicated to Foreign Office by British Delegation, Lausanne (No. 22) : Received May 9.)

LES soussignés, délégués de France, de la Grande-Bretagne et d'Italie, ont l'honneur d'attirer l'attention de Son Excellence le Général Ismet Pacha sur un procédé des autorités turques à Smyrne qui, si leurs renseignements sont exacts, serait de nature à compromettre une partie des résultats obtenus pendant la première phase de la Conférence de Lausanne et à menacer indirectement les intérêts de certains des ressortissants de leurs Gouvernements.

Il revient aux délégués soussignés que les autorités turques en question auraient fait procéder à l'ouverture des coffres-forts des clients grecs et arméniens se trouvant dans les banques occupées à Smyrne. En tant que cette mesure affecte les sujets helléniques, elle ne saurait nullement se justifier, pour des raisons évidents aux yeux des délégués soussignés. Ils ont aussi le droit de s'en intéresser, en tant qu'elle affecte les sujets turcs. En effet, si la mesure en question vise la liquidation des biens des propriétaires du contenu des coffres-forts, encore plus si elle en vise la confiscation, elle paraît être en contradiction avec les droits qui vont être assurés aux minorités en Turquie par les clauses du traité de paix futur, et, en ce qui concerne les Grecs sujets turcs, de porter préjudice à la liquidation éventuelle prévue par la Convention turco-grecque sur l'échange des populations, qui va avoir même force et valeur que si elle figurait dans le texte du traité.

Il est à noter que, en outre, que des ressortissants français, britanniques et italiens peuvent être aussi atteints par cette mesure, soit comme actionnaires des banques, dont la responsabilité envers les déposituers est engagée, soit comme créanciers des propriétaires du contenu des coffres-forts.

Si, comme les soussignés auraient aimé à espérer, les autorités de Smyrne étaient animées du seul désir de sauvegarder, en l'absence des directeurs responsables de certaines banques, les intérêts des propriétaires grecs et arméniens ayant quitté Smyrne, on s'explique difficilement quelle nécessité il y aurait à procéder à l'ouverture des coffres-forts. Il suffirait amplement dans ce cas de les rassembler en lieu sûr et de les tenir en temps utile à la disposition des propriétaires, ou, le cas échéant, à celle de la commission mixte prévue dans la Convention turco-grecque mentionnée ci-dessus.

Le procédé dont il est question ci-dessus prend d'autant plus les délégués soussignés qu'ils viennent d'être informés d'une autre mesure prise à Constantinople et qui paraît présenter une certaine ressemblance avec la première. Il a été porté à leur connaissance que les autorités de Constantinople ont fermé, le 5 courant, les bureaux de la Banque d'Athènes à Constantinople. Sans entrer dans les détails de cette nouvelle question, qui a été rapportée par les Hauts-Commissaires *ad interim* des trois Puissances à Constantinople à leurs Gouvernements, et qui fait l'objet d'une échange de vues entre eux et son Excellence Adnan Bey, les soussignés tiennent à relever la répercussion fâcheuse que tout incident pareil doit nécessairement avoir sur les travaux de la conférence.

En ce qui concerne la mainmise pratiquée sur le contenu des coffres-forts des Grecs et Arméniens dans les banques grecques de Smyrne, les soussignés ont l'honneur de prier son Excellence Ismet Pacha d'intervenir auprès de son Gouvernement afin que la décision y relative soit immédiatement rapportée pour les raisons exposées dans les deuxième et troisième paragraphes de la présente note.

PELLE.
HORACE RUMBOLD.
G. C. MONTAGNA.

Lausanne, le 7 mai 1923.

No. 210.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 9.)

(No. 163.)
(Telegraphic.) R. *Athens, May 8, 1923.*

MY telegram No. 161.

I have discussed situation with French Minister, who considers it to be grave. Ex-M.P. saw chief of Revolutionary [f Committee] by invitation this evening.

Latter confined himself to generalities, but emphasised view that peace could only be obtained through defeat of Turks and that Greek army was only force available for the purpose.

He was unable to understand reluctance of British Government to see Greek army carry out work of Allies. Ex-M.P. laid stress on aversion of British public to new war.

I seized occasion of visit of Chief of Naval General Staff to warn him of unwisdom of embarking on fresh adventure when they must know that support could not be forthcoming from either France or England.

I now gather that, in spite of effervescence, in the last resort advice of Veniselos is almost certain to prevail, and that Minister for Foreign Affairs will only have limited powers in improbable event of Veniselos retiring.

(Repeated to Constantinople and Lausanne.)

No. 211.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 9.)

(No. 164.)
(Telegraphic.) *Athens, May 9, 1923.*

MY telegram No. 158.

Head of Political Bureau at Ministry for Foreign Affairs asked Naval Chief of the General Staff to call on me yesterday to explain action of destroyer. Explanation was as already reported. Chief of Staff [f then] asserted that Greeks had proof that

the French and Italians continually landed supplies and war material for the Turks on Asia Minor coast opposite Tenedos. He also complained that ships flying the French flag frequently called at Greeks ports with crews entirely composed of Turks, who came solely to spy. He instanced the steamships "Etourneau" and "Ville de Nancy." He had asked Ministry for Foreign Affairs to protest to the French Legation against this breach of international law.

(Repeated to Constantinople and Lausanne.)

No. 212.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 10.)

(No. 42.)
(Telegraphic.) *Lausanne, May 8, 1923.*

YOUR telegram No. 12.

I handed Ismet Pasha yesterday evening a tentative redraft of the Turkish formula in article 3 regarding the Irak frontier. I substituted "six months" for "one year" in the first paragraph of the redraft.

I began by referring to the accusations which Ismet had made that we had been disturbing the *status quo* on the Irak frontier, and spoke on the lines of your telegram under reference. He maintained that Rowanduz was on the Turkish side of the *de facto* boundary, but I refused to accept this statement as being in accordance with the facts of the case, and maintained the position that the whole of the Mosul Vilayet, which included Rowanduz, had been in our effective occupation for the last four years. It did not prove necessary for me to quote from the captured correspondence.

I then read Ismet a French translation of the statement made in the House of Commons on 3rd May formulating the Government's policy with regard to Irak. This led on naturally to the statement, on my part, that one of the first conditions of providing for the future stability of Irak was that its frontier with Turkey should be settled as soon as possible. We therefore proposed that the frontier should be settled within six months from the coming into force of the treaty. Ismet said that he would have to telegraph this proposal to his Government. He took the point at once, but wondered whether it would be practically possible to lay down a frontier within six months. I replied that the proposal would not have been made if it had not been considered practicable. He enquired in what way the frontier would be determined. I replied that the Delimitation Commission would presumably have to lay down the frontier in accordance with certain principles or directions settled beforehand between the two parties.

No. 213.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 10.)

(No. 43.) [By Bag.]
(Telegraphic.) *Lausanne, May 8, 1923.*

AFTER the conversation reported in my immediately preceding telegram, Ismet asked me when I thought we should be likely to finish our labours. I replied that I hoped by the end of the month, and said that I was sure he would agree that we were working very fast. He said he was very pleased with the progress which we were making.

He then referred to the question of the judicial safeguards for foreigners, and said that that question was settled. I said of course that it was nothing of the sort, and again urged him to instruct his legal expert to examine the Allied draft with the Drafting Committee. After a struggle, in which I proved to him that his obstructive attitude could only produce a very bad impression, he said that he would allow his legal expert to discuss the draft privately with the Allied legal experts. I have warned the latter accordingly, but Ismet is quite capable of going back on his word in this respect. I am not at all hopeful that we shall be able to induce him to accept

anything beyond the Montagna formula. He said he had read through the Allied draft, and he described the proposals in it as "très graves."

It is clear to me that he has committed himself in the Grand National Assembly to the Montagna formula, and that he probably did not have the courage to tell that body of my statement to Adnan Bey that His Majesty's Government were in no way bound by the Montagna formula.

No. 214.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 10.)

(No. 44.) [By Bag.]
(Telegraphic.) *Lausanne, May 8, 1923.*

THE First Committee sat this morning.

We first took the report of the sub committee of experts appointed on 27th April to consider the proposed Turkish addition to the Thracian Frontiers Convention. Copies of this report and the article as redrafted by the sub-committee follow by King's Messenger. The greatest difficulty was removed by M. Venizelos withdrawing his reservation in regard to paragraph (*a*) of the article as redrafted. After some discussion on other points, it was referred back to the sub-committee for further consideration of paragraphs (*b*) and (*g*). As regards paragraph (*c*), I supported the French proposal to omit the words "parmi les ressortissants des Puissances n'ayant pas participé à la guerre de 1914 18," although personally I attach no importance to the point. The matter was left unsettled for the time being. As regards paragraph (*g*), M. Venizelos was willing that the facilities for traffic between Turkey and Bulgaria should be granted permanently, but objected strongly to the maintenance of any form of control in Greek territory after the Turks should have constructed a line in Turkish territory connecting the existing railway through Eastern Thrace with Adrianople. This seems to me a reasonable view, and I will support it in the sub-committee. A suggested alternative is that the question of arrangements to be made if and when the new Turkish line is constructed should be left for settlement by the League of Nations when it arises. This may provide the final solution. In any case I do not anticipate that the article will give rise to any further serious difficulty.

It was next decided to remit to a special committee of experts articles 24 and 15 of the Convention concerning the Régime for Foreigners, as the jurists considered the question of institutions like schools, &c., outside their sphere.

I then took the miscellaneous clauses at the end of the draft treaty which had not previously been definitely assigned to any committee. Some discussion arose on articles 152 and 155. I stated that the Allies would in principle accept a declaration in lieu of these articles, but that the declaration proposed by the Turks was wholly inadequate. Ismet Pasha assured us that the Turkish Government had no intention of making trouble over the acts and decisions dealt with in the two articles, but he refused to admit that they could be validated *en bloc*. He argued that, so far as any Allied interest was concerned, the Turkish draft declaration gave full satisfaction. My French and Italian colleagues and I warmly contested this. We insisted that it was not sufficient to afford protection to Allied judges and other authorities, and that protection must also be afforded in respect of decisions and other acts of such authorities. Ismet Pasha finally admitted that particular cases, by which he meant particular categories of cases, might be reviewed, and on this understanding it was agreed to refer the matter to the jurists acting in consultation, when necessary, with experts having special knowledge of the subject.

In the course of this discussion, Ismet Pasha referred to arms and ammunitions in Allied custody and also to ships, the restoration of which had been claimed by Turkey. I ruled this out of order in the present connection. Ismet Pasha endeavoured to make out that we had admitted the Turkish claim to restitution of the objects in question. I protested against this, and made it clear that the matter had been ruled out simply on the ground that it found no place in the present discussion. Ismet Pasha then explained that all he meant was to ensure that the Turkish claim to restitution should not be prejudiced by anything in the draft articles under discussion.

It was agreed, without discussion, to refer articles 154 and 155 to the jurists.

Ismet Pasha justified the Turkish proposal to suppress article 156 by saying that Turkey could not enter into an engagement regarding arms which might clash with arrangements into which she had entered with third parties, more particularly neighbouring States. I suggested that if the Turkish delegation studied the convention of September 1919 and received explanations which would be furnished to them they would see that there was nothing in the Allied proposal to which they could take exception. I read a passage from the preamble to the convention proving that it had been drawn up in the general interest of all nations. Ismet Pasha said that he did not question the good intention with which the convention had been drawn up, but he maintained his view that it might interfere with Turkey's arrangements with other Powers, or with legitimate provision for national defence. General Pellé made a short and very clear statement of the Allied view. After M. Montagna had supported this, Ismet Pasha agreed, subject to what he had already said, to consider the convention, and it was arranged that the Allied jurists should explain it to the Turkish delegation.

I opened the discussion of article 157 by expressing some hesitation as regards the date in paragraph 1 of the Turkish draft. I then asked what was meant by "navires sous pavillon turc," and whether this included German ships under the Turkish flag. Ismet Pasha said he was only concerned with the interests of Turkish subjects, but if a non-Turkish ship had been regularly acquired by a Turkish subject it would be covered. I suggested that in that case he could accept the wording "navires turcs." Ismet Pasha said that, subject to legal opinion, he could see no difference. Having briefly mentioned the possibility of special cases which would have to be considered in connection with paragraph 2 of the Turkish draft, I proposed that the whole article should be referred to the jurists.

At this point M. Venizelos intervened with an emphatic statement that he could not agree to paragraph 2 of the Turkish draft or to the date in paragraph 1. Greece, he said, had been engaged in hostilities with Turkey subsequently to that date, and she could not admit that ships captured during such hostilities were not lawful prize. A short duel ensued between him and Ismet Pasha, who claimed that Turkey was entitled, if only as victor, to the return of ships seized by the Greeks. I observed that the Turks themselves had captured two Greek ships last year and had sent them into Turkish Prize Courts. M. Venizelos maintained strongly that if the Turks had any claim in respect of ships seized in regular warfare it came into the general Turkish claim for an indemnity, a claim which he did not admit, but which fell to be dealt with separately. He repeated that he could not possibly accept the Turkish draft. I pointed out that the Allies had not accepted it either, and that all that was proposed was that the matter should be referred to the Drafting Committee. It was unanimously agreed that this should be done. The Japanese delegate, who had contemplated making a statement, confined himself to acquiescence in this decision.

A long discussion ensued on article 159. Ismet Pasha strongly contended that any question concerning the Powers named therein was outside the competence of the conference, which had met for the purpose of peace negotiations between the Powers named in the correspondence which preceded it. He said that Turkey was perfectly ready to negotiate separately with other Powers, but that they had nothing to do with the present conference. My French and Italian colleagues and myself reasoned with him in turn, but he remained inflexible. We pointed out that these Powers had been our allies in the war, and that we could not ignore their interests. We further pointed out that the object of the conference was, as the Turks themselves had recognised, e.g., in the last paragraph of Ismet's note of 8th March, to bring about peace all round, and that it would be most unfortunate if the position as between Turkey and other Powers were left in an intermediate state. Ismet Pasha stated that Turkey desired good relations with everybody, but that the economic and financial clauses might not suit all cases, and that the proper course was clearly that Turkey should negotiate separately with those other Powers who had not participated in the conference and had not been parties to our negotiations. My colleagues and I pointed out that representatives of certain of the Powers concerned had followed the discussions in the first phase of the conference, and that the articles were of such general bearing that they could not fail to apply equally to the case of these Powers if the Powers concerned themselves thought otherwise, they would be free not to adhere, but to negotiate separately. Ismet then shifted his ground and said that the stipulation was of a unilateral character. General Pellé pointed out that this might be true as regards the form, but not as regards the material effect, of the clause. I eventually asked whether the Turks would consider making a declaration in lieu

of the article. None of our arguments moved Ismet Pasha. He said that Turkey was prepared to negotiate with the Powers concerned, if necessary, here and now in Lausanne, but independently of the conference. At this point I adjourned the discussion, saying that it would be resumed at the beginning of the next meeting.

The Roumanian and Jugoslavian delegates intervened in this debate to support the Allied view. The former threw out the suggestion that the Turks might accept the article if "pourront être" were substituted for "seront."

No. 215.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 9.)

(No. 45.)
(Telegraphic.) *Lausanne, May 9, 1923.*

MY Allied colleagues and I had a private conversation with M. Venizelos before meeting of Second Committee this morning in order to remove a difficulty on a technical point about railway loans.

2. M. Venizelos stated that public opinion in Greece was so inflamed against Turkey, owing to bad treatment to which Greek prisoners of war had been subjected, seizure of Greek safes in banks at Smyrna and at Bank of Athens at Constantinople, as well as continued expulsion of Greeks from Asia Minor, that he had learnt that his Government contemplated issuing an ultimatum to Turkey to put an instant stop to above-mentioned measures. He had telegraphed to Greek Government begging it on no account to execute its intention, pointing out that if an ultimatum were eventually to be issued to Turkey, question of Greco-Turkish reparations would furnish a far better ground. He had requested Greek Minister for Foreign Affairs to [? come to] Lausanne, where he was due on Saturday.

3. I informed M. Venizelos that my colleagues and I had taken up with Ismet Pasha question of violation of Greek safes, and that we were addressing Ismet a note on the subject of bad treatment of prisoners of war.

4. M. Venizelos said that atmosphere created by recent actions of Turkish Government would make it impossible for him for the moment to take up question of Greco-Turkish reparations direct with Ismet, as had been his intention, and as my Allied colleagues and I had agreed he might try to do.

My Allied colleagues and I have no wish to shelve question of Greco-Turkish reparations, and delay in taking it up is due to French delegation being still without definite instructions to drop demand for reparations from Turkey.

(Repeated to Constantinople and Athens.)

No. 216.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 146.)
(Telegraphic.) R. *Foreign Office, May 9, 1923.*

YOUR telegram No. 270 of 6th May and subsequent telegrams on same subject.

You are authorised to agree to the use of force, on condition that your French colleague is similarly instructed, to the extent that General Harington and his colleagues consider advisable. Sufficient previous warning should be given to enable Angora to be consulted.

As regards our action in the war, enemy banks were at first allowed to continue to operate under the control of a supervisor for the sole purpose of completing transactions entered into prior to the outbreak of war.

Lloyd's Bank, who have recently absorbed Cox and Co., state that Bank of Athens are not their official agents, so that argument is valueless.

(Repeated to Lausanne, No. 15.)

No. 217

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 10.)

(No. 282.)
(Telegraphic.) *Constantinople, May 10, 1923.*

TURKISH representative, who came to see me yesterday evening, said that within next few days seals would be removed and affairs of Bank of Athens liquidated. All persons who had current accounts there would be allowed to withdraw them, &c., under Turkish supervision. He urged injustice of allowing Greek bank to operate here when all Turkish accounts in Greece had been sequestrated.

I told him that I was awaiting instructions from His Majesty's Government, to whom I had telegraphed facts of case, including his own assurances, which he repeated. I said that I was chiefly concerned with deplorable effect such ill-advised and arbitrary acts were calculated to have on peace negotiations. Turks seemed to think that they could do as they liked here. It was not so much a question of a Greek bank as of a principle, and a stop must be put to it, incident or no incident. Allied patience was getting exhausted, &c. I particularly mentioned case of Turkish refusal to hand over Ottomans guilty of offences against discipline and safety of Allied forces here.

Adnan was profuse with usual protestations and promises. Though no value whatever can be attached to them, I reluctantly feel that, owing to delay, occasion for [? stringent] action in so far as Bank of Athens is concerned is no longer so favourable. I would now prefer diplomatic intervention limited to insistence on full execution of Adnan's assurances and to warning that Allies would be compelled to take such measures as they think fit in the event of any further arbitrary interference in position of non-Ottoman subjects and institutions in Constantinople during the armistice period.

(Sent to Lausanne, No. 94; repeated to Athens, No. 51.)

No. 218

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 10.)

(No. 283.)
Telegraphic [D] *Constantinople, May 10, 1923.*

MY telegram No. 282.

I have now received your telegram No. 146.

Acting French High Commissioner informs me that his instructions are to confine himself to diplomatic action. I shall therefore concert with him and Italian High Commissioner with a view to communication to Turkish representative so far as possible on lines indicated in my above-mentioned telegram.

(Sent to Lausanne, No. 95; repeated to Athens, No. 52.)

No. 219.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 17. Confidential.)
(Telegraphic.) *Foreign Office, May 10, 1923.*

YOUR telegram No. 36 of 5th May: Castelorizo.

Your language approved.

Since the concession of the Maritza thalweg against Castelorizo would be entirely at the expense of Greece, it will no doubt have occurred to you that M. Venizelos's attitude towards any concession to the Turks on the former point may be largely affected by the compensating concessions which the Italians may be willing to offer to Greece.

No. 220.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 11.)

(No. 46.) [By Bag.]
(Telegraphic.) *Lausanne, May 9, 1923.*

THE third meeting of the Second (Financial) Committee was held to-day. The report of the financial experts on the remainder of the debt clauses was considered; a copy is being sent to you by the bag (despatch No. 25).

I will refer to the articles by the numbers which they bear in the reports of the experts.

A few verbal alterations in articles 45 to 49 were adopted.

Of the new articles proposed, articles 52, 52 *bis* and 53 were adopted. The last article allows the Turks to pay their arrears of debt annuities on the same terms as the succession States, namely in twenty years without interest. This is a great concession, but was received with only the mildest expression of gratitude.

On article 50 (railway loans) there was agreement between the Allies and the Turks to retain the first question to be referred to The Hague by the draft treaty of 31st January, but to suppress the second. M. Venizelos had agreed at a private meeting with myself and my French and Italian colleagues to accept this compromise, subject to a drafting alteration in the first question. He afterwards proposed to alter the first question fundamentally by making the question to be referred to arbitration relate only to the kilometric guarantees of the Jonction–Salonique Railway paid by Greece to the exclusion of the other similar kilometric guarantees paid by Turkey and Syria. In other words, he wanted to stand the chance of escaping 90 per cent. of his liabilities without running the risk of taking a 10 per cent share of the liabilities of Turkey and Syria. This proposal seemed to us entirely illogical and to amount to a reversal of his agreement to accept the compromise proposed. Accordingly, we propose that the first question should be maintained as it stands in the draft treaty of 31st January (with drafting alterations only) and that the second question should be suppressed.

M. Venizelos defended his point of view at length and with his usual ingenuity, but we understood that he will give way on the point later if he obtains satisfaction on more important matters.

On article 48 *bis*, which deals with the advances not repaid by the 1914 loan, M. Venizelos formally reserved his agreement, as he had failed to obtain satisfaction on the railway loan. The sums involved are small, since most of the advances are payable in paper, and no doubt the Greek delegation will give way later.

As regards article 56 (confirmation of Decree of Moharrem, &c.) and the table of debt, our position is that we propose to eliminate all the figures in the table by omitting columns 5, 6 and 7 and consequently to suppress the explanatory note. We are also ready to omit the first paragraph of article 56 if and when the declaration drafted on 4th February is signed. We are thus ready to comply entirely with the request made in Ismet Pasha's letters of 4th February and 8th April.

Ismet Pasha said that he would sign the declaration with a reserve as to the exchange options; he could not commit Turkey to a financial burden which she would be unable to meet. We explained once more that we ask Turkey to undertake no fresh obligations, but merely to recognise existing engagements, which could only be varied by agreement with the bondholders and not by a clause in the treaty. Ismet Pasha was obdurate, and the point was reserved.

The Second Committee will next deal with the sanitary clauses.

No. 221.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (Received May 12.)

(No. 49.) [By Bag.]
(Telegraphic.) *Lausanne, May 10, 1923.*

ARTICLES 5 to 11 of the draft commercial convention were considered in the Third Committee this morning.

Article 5. The Turks argued that it was impossible for them to bind local authorities not to impose local taxes, but they accepted the principle that no

discrimination should be exercised in the levying of local taxes. The article was referred to the experts.

Article 6. The Turkish draft was accepted subject to the substitution of the words "aucun moyen" for the words "un moyen direct ou par des surtaxes ou exonérations de quelque nature et sous quelque dénomination que ce soit."

Article 7.—The question of the period during which the convention should apply to the small Powers was reserved. Subject to this, the article was agreed in principle and was referred to the experts to prepare a draft.

Article 8.—While the Turks stated that they were unable to accept the Allied proposal in its present form, there was no substantial difference in principle, and the article was referred to the experts to endeavour to prepare a draft to which general agreement could be obtained.

The new article, after 8, proposed by the Turks was accepted in principle but referred to experts to simplify if possible.

Article 9.—It was agreed to suppress this article.

Annex.—This was referred to experts.

Article 10.—The first two paragraphs of the Turkish draft were agreed to. The third and fourth paragraphs were reserved.

Article 11.—The Turkish draft was accepted with the substitution of the word "établie" for "accordée" in the second line.

The proceedings at the meeting were somewhat dilatory, and a good deal more progress might well have been made if the chairman had adopted more business-like methods. Indeed, the lack of dignity with which Signor Montagna conducted the proceedings, and which verged at times on buffoonery, produced a very unfavourable impression on General Pellé and myself.

No. 222.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 13.)

(No. 51.) [By Bag.]

(Telegraphic.) *Lausanne, May* 11, 1923.

MY committee resumed to-day the adjourned discussion on article 159.

I referred again to the desire expressed in Ismet Pasha's note of 8th March to re-establish a general state of peace, and to what he had said at the last meeting regarding his wish to make quickly a separate treaty with each of the four Powers mentioned in article 159. I suggested that it was profoundly important for a country which had been at war as long as Turkey to make peace with everyone as quickly as possible. In a spirit of conciliation all the Allies present at the conference therefore urged her to use the practical opportunity offered her by this clause to reach a settlement with these four Allied peoples. Ismet repeated what he had already said regarding Turkey's desire to reach peace as quickly as possible with these third parties, but he did not consider this conference competent to provide the solution. He wished to reserve the right to conduct separate and direct negotiations with them. Both General Pellé and I suggested that the Drafting Committee should meet to try to find a formula acceptable to both parties Ismet refused this suggestion on the ground that there was a fundamental difference of principle between us, and Riza Nour intervened to suggest that the Turkish delegation only had full powers to conclude a treaty with the inviting Powers, Roumania, Greece and the Serb-Croat and Slovene State. I challenged Ismet to inform the conference whether or not he was actually engaged in separate negotiations with one or more of these four Powers—with Poland, for instance but he only answered that Turkey was in contact with them elsewhere than at Lausanne. He expressed apprehension lest any reference of this article to the Drafting Committee might make the third parties concerned less ready to negotiate direct with Turkey.

I finally reserved the right of the inviting Powers to submit to Ismet Pasha [illegible] a formula which would take into account the difficulties expressed by the Turkish delegation in the course of the discussion. Ismet Pasha accepted this proposed procedure.

I then took the first two of the three articles which the Turkish delegation had proposed to add to the treaty after article 159. The first article provided for the

respect of Wakf property in Serbia, in the islands ceded to Greece and Italy by the present treaty, and in Greece outside the territories covered by the Exchange of Populations Convention. The second article provided generally for the inviolability of the acquired rights of Moslem landowners in Serbia, in the islands and in Greek territory mentioned in the preceding article, and for the continuance of the treatment of all such Moslem properties according to Ottoman law.

M. Yovanovitch took objection not only to the scope of the proposed articles, but also to the fact that the Turkish delegation took no account of article 10 of the Serb Minority Treaty of 1919, which specifically safeguarded the rights of Moslem Wakf and religious establishments or of the provisions of the Serbian Constitution regarding the rights of landowners. He characterised the Turkish claim regarding landed properties as an attempt to create a double sovereignty in Serbia, and said that if it were accepted the majority in Serbia would require protection from the minority

M. Venizelos rejected the two articles on more or less the same grounds as M. Yovanovitch. He also explained by specific reference to various anomalies in the Turkish land legislation how impossible it was for any Western State to harmonise Turkish and Western land legislation. The only exceptional treatment which had ever been meted out to Moslem landowners in Greece had been in the nature of reprisals taken in 1914 against the expulsion of 400,000 Greeks from Asia Minor, and even these measures of reprisal were open to review by the mixed arbitral tribunals established under the Exchange of Populations Convention.

In reply, Munir Bey confined himself to pointing out that the clauses suggested by the Turkish delegation were not an innovation. He referred to the treaties of Berlin, Thessaly, the treaties after the Balkan Wars, and the convention with Great Britain regarding Cyprus. The Turkish delegation did not regard the European minority treaties as offering sufficient safeguards on these two points, and asked for more explicit treatment by the insertion of these article in the main treaty of peace. He suggested that the European minority treaties only applied to parts of Greece and Serbia, and while Wakf property and Moslem properties in Greece had been specially dealt with in the Exchange of Populations Convention, that convention did not cover either Western Thrace or the rights of all Moslem landowners in Greece.

I pointed out that, whilst Munir Bey had quoted treaties dating back to the Treaty of Berlin, he had only made a passing allusion to the Treaty of Saint-Germain, from which the Serbian delegate had quoted and which dealt specifically with Wafks. This treaty constituted an engagement of an international character undertaken towards the League of Nations. It was open to any member of the League to see that the provisions of the treaty were carried out, and Turkey, when she became a member of the League, would have this right.

It was also pointed out to the Turkish delegation that in all the minority treaties which had been made by the Great Powers after the war special safeguards had been introduced for the protection of Moslem minorities, and especially of Wafks. Similar clauses, *mutatis mutandis*, had been inserted in the present treaty to protect minorities in Turkey, but the Allies had actually consented to their being framed on a narrower basis than the European minority clauses, *e.g.*, as regards their limitation only to non-Moslem minorities.

Further, by article 44 of the present treaty, Greece accepted safeguards for Moslem minorities in Greece similar to those accepted by Turkey in the minority clauses for non-Moslem minorities in Turkey. The Turkish delegate on the Minorities Commission had pressed for the acceptance of similar obligations by all the Balkan Powers, but in the face of the explanations of M. Spalaikovitch and the Roumanian delegation regarding the safeguards already provided by the Roumanian and Serbian minority treaties, he had accepted the limitation of that article to Greece. Yet Turkey was now trying to reopen the whole question, and indirectly to strengthen certain European minority treaties. By the second of these two articles Turkey was not only trying to force a form of Capitulations upon Greece and Serbia, but she was also trying to crystallise a form of land tenure in the countries for all time

The Turkish delegation disclaimed any intention of asking for Capitulations, and said that they were only trying to protect acquired rights.

After the Italian delegation, who were in a different treaty position from Greece and Serbia in these matters, had offered to give some satisfaction as regards Turkish Wakf properties in the Dodecanese, on a basis of reciprocity, by a fresh draft of

both articles, I rejected both articles as regards Greece and Serbia on the ground that safeguards were already fully provided by the minority treaties. I left the Italian delegation, however, free to agree upon a satisfactory redraft of these articles to cover the Dodecanese.

The Turkish delegation reserved its attitude.

Discussion then turned on the third of the three articles, which provided in effect for the compulsory liquidation by the Greek Government of Moslem properties in Greece and Crete the owners of which were either domiciled outside Greece or had emigrated from Greece or Crete before 1912. This category of property was not dealt with by the Exchange of Populations Convention, because it fell outside the terms of reference of the sub-committee.

In the course of discussion, Riza Nour tried to claim that Signor Montagna had confirmed the justice of the Turkish demand when it was discussed by his committee dealing with the Exchange of Populations Convention, and that Signor Montagna had only ruled that it must be inserted in some other part of the treaty.

Signor Montagna proved, however, by a quotation from his report to the First Commission in January that the point had merely been ruled outside the competence of his sub-committee, and referred by him in his report to the sympathetic examination of the commission.

M. Venizelos, while declaring that he was prepared to maintain the rights of the Moslem landowners in question, refused to accept the article or any liability on the part of the Greek Government compulsorily to liquidate these properties.

The Turkish delegation then reserved their right to deal similarly with any analogous case of Greek properties in Turkey. M. Venizelos, speaking with some emotion, asked the conference to take note of this attempted intimidation by the Turkish delegation, and hinted that the latter were trying to justify the action which they had already taken with regard to the opening of the Greek safes at Smyrna.

Munir Bey disclaimed any intention of wishing to threaten the Greek delegation, but said that all that the Turkish delegation wished was to enable these Moslem proprietors to liquidate their properties.

Mr. Ryan then suggested that in the light of these declarations by the two parties it should be possible to find a satisfactory formula regarding the liquidation of the properties in question, and it was agreed that the question should be referred to the experts.

There will be no meeting of the committees to-morrow in order to give the experts time to get on with their work. The Second Committee will take the sanitary clauses on Monday, and the Third Committee will take the second part of the commercial convention on Tuesday. I said that my committee, which had now finished the main part of its work, would sit again on Wednesday, by which time those delegations or experts who were considering with the Turks any articles submitted to them by my committee were to report to it the results of their work.

The First and Third Committees should thus have reviewed all their work by Wednesday. The Second Committee is unfortunately behindhand owing to the French delegation being still without instructions on the question of reparations, although General Pellé has again telegraphed to his Government on the subject.

No. 223

Mr. Henderson (*No. 99*) *to Sir H. Rumbold.*—(*Repeated to Foreign Office; Received May* 13.)

(No. 288.)

(Telegraphic.) R. *Constantinople, May* 13, 1923

PRESS reported that General Pellé had notified Turkish delegation at Lausanne of existence of Armenian plot against life of Ismet Pasha.

News has created storm of apprehension and indignation in entire press here and at Angora. It is stated that perpetration of plot would have disastrous effect on peace prospects, and it is hinted that consequences for Armenia would be serious.

French High Commissioner has no confirmation of General Pellé communication.

E 4866/6/44] No. 224.

Mr. Bentinck to the Marquess Curzon of Kedleston. (*Received May* 14.)

(No. 331.)

My Lord, *Athens, April* 25, 1923.

WITH reference to my despatch No. 320 of the 21st instant, I have the honour to report that a member of my staff recently noticed in the streets a small number of men dressed in a semi military uniform and wearing the Cretan black head-kerchief with a cross on the forehead. On enquiring as to who these men were, the reply was given that they were members of a band organised to operate against the Turks in Asia Minor.

2. Another member of my staff was, however, informed on good authority that these men, who are mostly Cretans, are being enrolled as flying detachments to counteract the activities of the Bulgarian and Turkish komitaji bands in Thrace and Macedonia against the communications of the Greek army in Western Thrace. It would appear, from information volunteered from the same source, that a considerable proportion of these Cretans are men who, during the disturbances following the anti-Cretan activities of the late régime, took to the hills and refused to join the colours when their classes were subsequently called up for military service, and who are now allowed to serve as irregulars in lieu of being punished as defaulting conscripts.

3. Information has reached me from a third source to the effect that two bands of Cretans and one of Asia Minor Greeks have recently left Piræus for the islands off the coast of Asia Minor, and that others are to follow when ready.

4. In view of this information, derived from various independent sources, I am again drawing the serious attention of M. Politis, the head of the Political Bureau at the Ministry for Foreign Affairs, to the matter, and pointing out, in accordance with your Lordship's telegram No. 65 of the 23rd April, that the action apparently contemplated by the Greek Government is a violation of the spirit, if not of the letter, of the Mudania Convention.

5. I may mention that when I spoke to M. Politis on the subject of the memorandum which I had sent him on the 20th instant (my telegram No. 148), he denied that the Circassian bands referred to had been landed in Asia Minor by any Greek warship, though he admitted the fact of their having landed. He was, he said, looking into the matter, and mentioned that there was an idea of leaving these Circassians in Asia Minor. He personally thought that this would be inhuman, although, as they had carried out the raid on their own initiative, he maintained that the Greek Government were devoid of responsibility towards them.

6. I am forwarding copies of this despatch to Constantinople and Lausanne.

I have, &c.

C. H. BENTINCK.

E 4867/4/44] No. 225.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(*Received May* 14.)

(No. 337.)

My Lord, *Athens, April* 27, 1923.

WITH reference to my despatch No. 319 of the 20th instant and to previous correspondence respecting the exchange of prisoners of war between Greece and Turkey, I have the honour to report that the military attaché to this Legation was informed at the General Staff three days ago that the whole transaction contemplated in chapter 2, article 4, paragraphs 1 and 2 of the agreement signed at Lausanne on the 30th January last has now been completed, 9,800 prisoners having been exchanged on each side. According to what I was originally informed by the representative of the International Red Cross, there would be about 40,000 Greek prisoners to follow after the conclusion of peace (see my despatch No. 178 of the 8th March). The newspapers recently estimated this figure at about 36,000. The Turks have, I understand, so far declined to give any figures, and at the General Staff the military attaché was told that to judge from the information supplied by the prisoners who had arrived, the mortality amongst them had been so great that only about 7,000 more were expected eventually to be returned to Greece, but there is probably some exaggeration in these statements. The military attaché's informant added that thus far only two Greek artillery officers have been returned.

2. Some of the men who have arrived have found their way into the British refugees camps, where they have joined their mothers, sisters and wives. These are really Ottoman Greeks. They say that they never were soldiers, but had claimed to be such in order to get exchanged.

3. On the chance that they may be of any interest to your Lordship, I enclose typewritten copies* as received from the chairman of the international committee appointed to enquire into the treatment of prisoners by the Turks, of depositions made before the committee by returned prisoners (see my telegram No. 112 of the 17th April).

4. Meanwhile the Greek Government have discovered, after further enquiry, that nearly 4,000 more Greek civilian hostages remain in Turkish hands. These the Greek Government are now endeavouring to get repatriated in accordance, I understand, with article 3 of the agreement of the 30th January last, and for this purpose members of the international committee for the exchange of prisoners have left for Constantinople.

5. I am forwarding copies of this despatch, less enclosures, to Constantinople and Lausanne.

I have, &c.
C. H. BENTINCK.

E 4869/6/44] No. 226.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(*Received May* 14.)

(No. 344.)
My Lord, *Athens, May* 2, 1923.

WITH reference to my telegram No. 154 of the 29th ultimo, to my despatch No. 331 of the 25th ultimo, and to previous correspondence on the subject of the reported preparations for organising bands for operating against the Turks in Asia Minor, I have the honour to transmit to your Lordship herewith copies of two private letters which I addressed to the head of the Political Bureau at the Ministry for Foreign Affairs on the 20th and 25th ultimo, together with a copy of M. Politis's reply, dated the 27th ultimo, and of a further letter from me dated the 2nd May.

2. On receiving Mr. Vice-Consul Hadkinson's despatch No. 6, enclosed in my despatch No. 320 of the 21st April, I telegraphed to ask him the source of his information. He replied in a telegram dated the 25th April that the information had been received from the Circassian leader and others and had been confirmed by the commander of the Greek destroyer "Aspis." This news appeared to me to be so grave that I asked M. Politis to come and see me, and, in handing to him my second note, dated the 25th April, which, as your Lordship will observe, referred to the departure of Cretan and other bands from Piræus for Asia Minor, I confronted him with the information supplied in Mr. Hadkinson's telegram. I added that if it transpired that the commander of the Greek destroyer had really transported these bands to Asia Minor it appeared to me practically to amount to an act of war. From a military point of view it seemed to me that it would entail a perfectly useless and unnecessary loss of life, because I could see no military object which would be gained.

3. M. Politis quite agreed with me and promised to make immediate enquiries. He was, he said, quite sure that the Greek destroyer was in nowise implicated, but he would also look into this matter. He personally thought it more probable that the bands leaving Piræus were being despatched to Thrace and Macedonia to guard the Greek communications against the komitajis, for he himself agreed that raids in Asia Minor could serve no military purpose.

4. On the 28th ultimo I received M. Politis's letter dated the 27th, the substance of which I reported to your Lordship in my telegram No. 154. M. Politis does not mention the Greek destroyer, which, I had told him, appeared to me to be the most serious side of the question.

5. I have to day received your Lordship's telegram No. 68 of the 1st instant, stating that the Greek explanation appears to be far from satisfactory, and I have accordingly addressed to M. Politis another letter, copy of which I have the honour to enclose. I have also again drawn his attention to the alleged intervention of the destroyer.

6. Copy of this despatch is being forwarded to Lausanne and Constantinople.

I have, &c.
C. H. BENTINCK.

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* Not printed.

Enclosure 1 in No. 226.

Mr. Bentinck to M. Politis.

Mon cher M. Politis, *Athènes, le 20 avril* 1923.

VOUS vous souviendrez sans doute de notre conversation du 8 courant sur la question d'une attaque que les Turcs prétendaient avait été faite par une bande de Grecs de l'île de Samos sur la côte d'Asie Mineure. Vous avez dit que le Ministère n'en avait pas connaissance et que des ordres sévères avaient été donnés aux autorités des îles pour éviter une répétition de cette affaire.

Or, je viens de recevoir d'un Anglais, habitant de l'île de Mitylène, d'informations qui, s'il y en a de vérité, me paraissent assez graves. Je me permets donc de vous envoyer à titre privé un mémorandum là-dessus.

Veuillez agréer, &c.
C. H. BENTINCK.

Enclosure 2 in No. 226.

Memorandum.

HIS Britannic Majesty's Legation are informed that about 1,400 men, mostly Circassians, were being trained at Mitylene by Greek military authorities about the 12th instant with the object of being landed on the coast of Asia Minor in order to instigate a rising against Mustafa Kemal.

According to the same information, a body of 600 of these men was landed in Anatolia by the Greek destroyer "Aspis," following on a detachment of thirty-five men previously despatched in the same ship in order to reconnoitre.

The 1,400 men are stated to receive pay and rations from the Greek authorities.

Athens, April 20, 1923.

Enclosure 3 in No. 226.

Mr. Bentinck to M. Politis.

(Personnelle.)
Mon cher M. Politis, *Athènes, le 25 avril* 1923.

ME référant à ma lettre du 20 courant, je me permets de tirer votre attention à nouveau sur la question des bandes destinées à opérer contre les Turcs en Asie Mineure et de vous envoyer ci-inclus un second petit mémorandum au sujet des informations que je viens de recevoir de plusieurs sources sur la formation des bandes crétoises.

2. Vous n'ignorez pas que si ces nouvelles sont correctes l'entreprise envisagée est à une violation au moins de l'esprit, si non aussi de la lettre, de la Convention de Mondania.

3. Je vous serai donc reconnaissant de bien vouloir me donner des renseignements autorisés à ce sujet pour transmettre à mon Gouvernement.

Veuillez agréer, &c.
C. H. BENTINCK.

Enclosure 4 in No. 226.

Memorandum.

ACCORDING to information received by His Britannic Majesty's Legation, in addition to the Circassian bands mentioned in the memorandum enclosed in Mr. Bentinck's letter to M. Politis of the 20th instant, a number of bands are being formed on Hellenic territory of Cretans and Asia Minor Greeks with the object of landing in Asia Minor.

Two Cretan bands are thus stated to have left Piræus recently for this purpose and a third band to have left on Saturday last. A fourth band will, it is said, leave this week, and a fifth is in process of organisation.

Athens, April 25, 1923.

Enclosure 5 in No. 226.

M. Politis to Mr. Bentinck.

Athènes, le 27 avril 1923.

Cher Mr. Bentinck,

EN réponse à votre lettre en date du 25 de ce mois, je m'empresse de porter à votre connaissance que le Département de la Guerre m'informe que les bruits qui ont été, ces jours-ci, répandus au sujet de la formation de bandes destinées à opérer en Asie Mineure sont loin de correspondre à la réalité.

L'État-Major, en effet, a autorisé l'organisation de groupes de volontaires hellènes, arméniens et circassiens uniquement dans le but d'une part de renforcer notre armée en Thrace, et d'autre part afin d'occuper plusieurs de ces malheureux se trouvant sans travail. Ces unités, soumises à la discipline militaire, sont destinées à être envoyées en Thrace occidentale.

Quant aux deux groupes de Circassiens qui se trouvent actuellement dans les îles, ils ont été formés parmi les Circassiens refugiés dans les îles surtout en vue de les encadrer et les empêcher d'opérer des incursions en Asie Mineure.

J'espère que ces explications que m'ont fourni s les Ministères de la Guerre et de la Marine suffiront à calmer les appréhensions qu'ont justement fait naître les bruits relatifs à la formation de bandes destinées à opérer en Asie Mineure.

Veuillez agréer, &c.

POLITIS.

Enclosure 6 in No. 226.

Mr. Bentinck to M. Politis.

(Privée.)

Athènes, le 2 mai 1923.

Mon cher M. Politis,

JE n'ai pas manqué de télégraphier à mon Gouvernement le contenu de votre lettre du 27 courant au sujet de la formation des bandes grecques. Je viens de recevoir un télégramme de Lord Curzon par lequel il dit que l'explication que vous m'avez donnée ne lui paraît nullement satisfaisante. La formation de telles bandes n'aurait pour résultat que d'augmenter le danger d'incidents qui, à l'état actuel des négociations à Lausanne, auraient des résultats déplorables.

2. Lord Curzon m'a chargé de vous expliquer ce qui précède et d'ajouter que, en cas d'incidents fâcheux, le Gouvernement de Sa Majesté pourrait se trouver dans l'impossibilité de donner aux intérêts grecs l'aide qu'il lui donne actuellement.

3. Je remarque en attendant que dans votre lettre vous n'avez pas fait allusion au contre-torpilleur "Aspis" dont je vous avais parlé et dont l'intervention prétendue m'avait paru tellement répréhensible.

Veuillez agréer, &c.

C. H. BENTINCK

E 4872/6/44] No. 227.

Mr. Bentinck to the Marquess Curzon of Kedleston. (Received May 14.)

(No. 352.)

My Lord, *Athens, May 5*, 1923.

WITH reference to my telegram No. 158 of to-day's date, I have the honour to transmit herewith copy of a letter received last night from M. Politis, head of the Political Bureau at the Ministry for Foreign Affairs, in reply to my letter of the 2nd instant, copy of which was enclosed in my despatch No. 344 of that same date, respecting the formation of Cretan and Circassian bands for operations in Thrace and Asia Minor respectively.

2. M. Politis maintains that a sentence in his letter to me of the 27th ultimo has been misunderstood to mean that the bands had already been sent to Western Thrace. In his letter in question he states that the organisation of the bands of volunteers had been authorised with the object of "reinforcing the army in Thrace," and this I faithfully reported to your Lordship in my telegram No. 154 of the 29th ultimo.

I do not think that the explanation given by the Ministry of Marine regarding the action of the destroyer "Aspis" is altogether a good one, but it is perhaps the best that can be given in the circumstances. The same perhaps applies to that regarding the Circassian raids on the Asia Minor coast, although it is difficult to understand what possible military object can have been hoped for.

4. I have since received a telegram from His Majesty's vice-consul at Volo, stating that about eighty Cretan civilians landed there on the 3rd May and proceeded direct to Salonica, where they declared that they are to be armed and formed into bands for operations in Thrace. Mr. Vice-Consul Knight adds that paid volunteers are being enlisted secretly in the Volo district for the same purpose.

5. I trust that the message which I was instructed in your Lordship's telegram No. 68 of the 1st instant to deliver to the Ministry for Foreign Affairs may have the desired effect of avoiding any unfortunate incidents, which might be followed by deplorable results.

6. I am forwarding copies of this despatch to Lausanne and Constantinople.

I have, &c.

C. H. BENTINCK.

Enclosure in No. 227.

M. Politis to Mr. Bentinck.

(Privée.)

Athènes, le 3 mai 1923.

Mon cher Mr. Bentinck,

JE m'empresse d'accuser réception de votre lettre en date d'hier, dont je n'ai pas manqué de porter le contenu à la connaissance de mon Gouvernement.

Je crois d'abord devoir vous donner des éclaircissements au sujet d'une phrase de ma lettre du 27 avril, qui, je crois, a été mal interprétée.

Lord Curzon, en effet, paraît avoir compris que les corps de volontaires formés avec l'autorisation du Gouvernement grec ont été déjà envoyés en Thrace occidentale. Très justement, par conséquent, il craint qu'un incident fâcheux puisse survenir qui compromette la paix qu'on est en train d'élaborer si péniblement à Lausanne. Fort heureusement, de tels incidents ne sont pas à craindre. Comme je vous le disais en effet, dans ma précédente lettre, la paix n'ayant pas été encore signée à Lausanne et la reprise des hostilités avec les Turcs pouvant, par conséquent, toujours être envisagée, le Gouvernement hellénique n'avait pas seulement le droit mais aussi le devoir de ne négliger aucun des moyens qui auraient pu éventuellement renforcer notre armée en Thrace et un de ses moyens est assurément aussi la formation de corps de volontaires.

Mais, ainsi qu'ils me l'ont déclaré hier les services compétents des Ministères de la Guerre et de la Marine, il n'a jamais été question d'envoyer ces corps, d'ores et déjà, en Thrace occidentale. Ces unités de volontaires sont concentrées en Macédoine sous la surveillance étroite du haut commandement militaire et sont soumises à une discipline aussi rigoureuse que l'armée régulière. Je crois donc avoir, par ce qui précède, dissipé toute crainte qu'a pu faire naître la formation de ces corps.

2. Dans votre lettre vous touchez aussi d'une autre question, celle du contre-torpilleur "Aspis," qui aurait débarqué, selon des bruits qui vous seraient parvenus, une bande de Circassiens sur la côte d'Asie Mineure. Je n'ai pas manqué de demander des renseignements sur cette étrange nouvelle au Capitaine de Vaisseau Gétontas, chef d'État-Major naval. Celui-ci vient de me confirmer que, malgré les ordres qui avaient été donnés à nos unités navales de ne pas approcher la côte d'Asie Mineure, le commandant de l'"Aspis," ayant appris que des réfugiés grecs composés de femmes et d'enfants se trouvaient sur la côte asiatique en face de Samos, a cru bon les prendre sur son navire. Vous admettrez que l'acte du commandant de l'"Aspis," tout en n'étant pas conforme avec les ordres donnés par les autorités navales, peut être du moins justifié par des raisons hautement humanitaires.

3. En aucun moment des bandes de Circassiens ou autres n'ont été envoyées en Asie Mineure au vu ou au su du Gouvernement hellénique. Comme je vous l'avais dit l'autre jour, il se peut que des Circassiens dont les familles se trouvent encore en Asie Mineure aient débarqué sur la côte micrasiatique, mais dans tous les cas leur nombre ne doit pas être bien considérable et le Gouvernement hellénique non seulement n'a pas encouragé une telle action, mais s'est même opposé chaque fois qu'il en a eu connaissance.

Le Capitaine Gétontas m'a dit être à votre disposition pour tous renseignements supplémentaires que vous voudriez lui demander.

Veuillez, &c.

H. G. POLITIS.

No. 228

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 14.)

(No. 52.) [By Bag.]
(Telegraphic.) *Lausanne, May 12, 1923.*

SINCE the date of my telegram No. 35 of 5th May appreciable progress has been made in clearing the ground of questions of secondary importance. The following is a summary of the present position:—

First Committee.

I finished on 11th May the general review of articles 152 to 160, which had been left unassigned in the original distribution of work. We meet again on 16th May, when I shall take reports on a certain number of questions which have been referred to sub-committees or have been the subject of private discussion with the Turks. Several of these are in a fair way of solution or have already been settled among the experts subject to confirmation by the committee. I hope definitely to dispose of article 19 (Cyprus nationality), article 144 (Anzac Graves Regulations), the additional article to the Thracian Frontiers Convention, for which the experts have now arrived at an agreed text, and perhaps the declaration to be attached to the Régime for Foreigners Convention relative to schools and other institutions. I am also anxious to dispose as far as possible of the questions on articles 16, 20, 25 and 27, which specially interest the French and Italians. I have urged General Pellé and M. Montagna to have these ready for my meeting on 16th May.

The jurists have made good progress with Chapters I and III of the Régime for Foreigners Convention itself, and it should be possible, if not on 16th May, at least very shortly after, to record agreed texts in the committee, except as regards article 25, which provides for the adhesion of non-signatory Powers.

This will leave outstanding (*a*) the questions on articles 1 to 15 enumerated in my telegram No. 35, (*b*) the points raised in the recent discussion of articles 152 to 160, and (*c*) the Amnesty Declaration. As regards (*a*), the questions of the Maritza thalweg and "Merkeb" Islands are of little intrinsic importance, and it is a question of tactics when and how they should be disposed of, having regard to the desirability of getting a favourable settlement of the parallel but more important question of Castelorizo. Ada Kala has not been formally disposed of, but I cannot believe that it will give any serious trouble when the time comes to finish with it. As regards (*b*), articles 152 and 153 present great difficulty. The other questions under this heading should admit of settlement as soon as the experts and jurists have threshed them out. (*c*), *i.e.*, the Amnesty Declaration, should present no difficulty once the jurists have reported on the two outstanding points.

Second Committee.

General Pellé holds his next meeting on 14th May. Not having had his instructions regarding reparation, he will take the sanitary clauses, articles 129 to 131. We have had a preliminary discussion among Allies to-day, and have, I hope, got things into train for a settlement in due course on the basis of a declaration by the Turks regarding sanitary advisers, and an arrangement assuring that the funds of the old Board of Health shall be duly affected to sanitary purposes. General Pellé should complete the preliminary review of his work in this and one more sitting, provided his instructions regarding the reparation question are not delayed, but the questions of the Degree of Muharrem, interest on the debt and Turco-Greek indemnities still threaten trouble. Recent indications lead me to fear that the last-named may present more difficulty than I anticipated a week ago, and the final settlement may have to be reserved for the ultimate bargaining on big questions.

Third Committee.

Two more meetings of M. Montagna's committee, the first of which is fixed for 15th May, should suffice to complete the general review. The experts are making steady progress, and agreement has been reached on a considerable number of individual articles up to date. I do not think that any serious question within the scope of this committee need remain outstanding for long, provided M. Montagna handles the business properly. There remains, however, the question of the

negotiations with the concessionnaires. I am increasingly apprehensive lest delay over these should react on our work here. I will telegraph separately on this subject.

The above review shows that the forecast in the penultimate paragraph of my telegram No. 35 seems likely to prove only a little too optimistic. We must be prepared for the battle-royal over the big question any time after the middle of next week.

No. 229.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 14.)

(No. 53.) [By Bag.]
(Telegraphic.) *Lausanne, May 12, 1923.*

MY immediately preceding telegram.

Unless I am much out in my estimate, there is no reason why the conference should not have completed its work early in June. On the other hand, there appears to be now little chance of the negotiations between the concessionnaires and the Angora Government beginning before 21st May. They will be of a kind which, if conducted in the habitual Turkish manner, might be expected to take months. The Turks will in present circumstances have every inducement to expedite them, but with the best will in the world they are unlikely to bring them to a conclusion under some weeks, having regard to the large number of companies involved and the complexity of the questions to be dealt with. We are thus faced with a definite danger of the conference here having to wait upon the result of these other negotiations in Angora or alternatively of some of the negotiators here attempting to drag on our proceedings in order to give the concessionnaires more time.

In these circumstances it is for consideration whether we should not at a very early date ask the French and Italians to join in intimating to the Turks a time-limit within which the concession negotiations must be concluded; failing which we should have to fall back on the plan foreshadowed in the Allied note of 27th March of pressing for the insertion of [*sic*] in the treaty of clauses similar to those in the draft of 31st January. If we were reduced to the latter course, we might, perhaps, in order to make it more palatable to the Turks, consider the possibility of embodying the necessary provisions in some kind of separate instrument like an annexed protocol or even an exchange of notes with the Turkish delegation. The ideal thing, however, would be to exert such pressure as to compel the Turks to come to terms with the concessionnaires within a reasonable period of weeks.

No. 230.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 14.)

(No. 56. Most Confidential.)
(Telegraphic.) *Lausanne, May 13, 1923.*

M. VENISELOS came to see me to-day. He said that he had discussed situation in Greece with M. Alexandris, the Greek Foreign Minister, who arrived last night. The latter reported that Greek military authorities thought that with demand for an indemnity from Greece hanging over their heads time had come to clear up situation with Turkey. On my asking M. Veniselos what this expression really meant, he replied that military authorities were in favour of denouncing the armistice. Happily, M. Alexandris was of another way of thinking, and he had agreed that M. Veniselos should at once take up question of Græco-Turkish reparation direct with Ismet Pasha. Before doing so, M. Veniselos wished to have my opinion. I had discussed question with my colleagues yesterday, and we had agreed that it would be far better to try to settle Græco-Turkish reparation question outside conference room rather than bring it up in committee, where it might lead to a scene and to categorical statements on finance upon which it would be difficult to go back. I therefore told M. Veniselos that I was entirely in favour of his approaching Ismet direct on the

subject. He then said that he would seek an interview with Ismet to-morrow and would talk to him on the following lines:—

He would say that, as it was quite out of the question for Greece to pay any indemnity to Turkey (and he told me on this point Greeks were adamant), it would be better for Turks to accept article 58 as it stands in Allied draft. Should Ismet prove intractable, M. Venizelos would suggest settlement of question by means of arbitration in accordance with solution he accepted on 4th February. He promised to tell me upshot of his interview with Ismet to-morrow. If Ismet also rejected proposal to refer question to arbitration, M. Venizelos thought of proposing following solution as a final effort to avert resumption of hostilities:—

He said he was most grateful to you for having saved Karagatch for Greece during first phase of conference. In view of your action in the matter he wished to have your views as to offering Turks Karagatch with a few kilometres to south, plus a small triangle of territory to north between Rivers Maritza and Arda. Under this arrangement northern frontier of Greece would be brought back to River Arda and railway from Karagatch to Bulgarian frontier would become Turkish. He thought that this proposal would give best means of personal satisfaction to Ismet, but he would only make it with your consent and on condition that Turks accepted Allied wording of article 58 and dropped once and for all their demand for an indemnity from Greece. He further suggested that if you approved this proposal it might in last resort be put forward by British delegation as it would carry more weight with Turks coming from us. He would, of course, make it clear that proposal was put forward with complete assent of Greece so that we should not have appearance of making a bargain at his expense. Meanwhile he asked me not to mention it to my Allied colleagues.

I said I hoped that M. Venizelos would do everything he could to try and settle indemnity question without having recourse to reopening a territorial question which had already been settled. I hear Turks are determined to press for reparations from Greece and so we are faced with a difficult situation.

M. Venizelos added that whatever might be thought of the Revolutionary Government at Athens they had succeeded in making army as efficient as it had ever been, and he knew that if hostilities were resumed Greek military authorities confidently reckoned on reaching Chatalja lines and making peace without there being any question of an indemnity. But both he and M. Alexandris were opposed to further adventures, and wished to make peace at Lausanne.

No. 231.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 14.)

(No. 57.)
(Telegraphic.) D. *Lausanne, May 14, 1923.*

YOUR despatch No. 27

Signor Montagna communicated to General Pellé and myself to-day telegram which he had received from Italian President of the Council regarding question of Turkish reparations.

Substance is briefly as follows:—

Italian Government state that they cannot admit justice of diminishing amount of sum which would cover losses of Italian nationals. Italian Government had agreed to waive their demand for reparations from Turkey in consequence of your offer on 4th February to pay battleship money into a common pool. Nevertheless, as a proof of their desire for peace, Italian Government would in the last resort accept arrangement under which 5 millions gold now held in London and Paris should be available for distribution between French and Italian subjects. Should this last proposal be rejected, Italian Government reserved their right to reopen question of reparations with Turkey.

General Pellé said that his Government were in agreement with Italian Government in this matter and that he had been so instructed. I replied by referring to note addressed by you to French Ambassador on 3rd May, copy of which I had communicated to both General Pellé and Signor Montagna, and stated that I was bound by decision conveyed in that note.

We have thus reached deadlock which can only be solved by Governments, as it is not possible for me to induce my colleagues to disregard their instructions.

This reparation question is hanging up work of General Pellé's committee and threatens soon to hang up work of conference. Financial experts have been unable to do any work since 9th May. Turks are no doubt already aware that there is a difference of opinion between our Governments on the subject.

No. 232.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 14.)

(No. 58.)
(Telegraphic.) R. *Lausanne, May 14, 1923.*

YOUR telegram No. 99.

General Pellé denies having notified Turkish delegation of existence of Armenian plot against life of Ismet Pasha.

On 24th April Turkish Government requested acting French High Commissioner, Constantinople, to warn Swiss authorities, through intermediary of General Pellé, that two Greeks were believed to have left Athens for Lausanne with intention to murder Ismet. This warning was conveyed to Swiss authorities, and may perhaps have given rise to above-mentioned report.

No. 233.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 14.)

(No. 290.)
Telegraphic.) *Constantinople, May 14, 1923.*

LOCAL press reported a few days ago that Turkish Ministry of Finance, with a view to protecting native coal, had decided to abolish free import to transit depôts at Constantinople of bunker coal. This would mean import duty of about 3*s.* a ton on all foreign coal destined for bunker vessels trading outside Turkish territorial waters.

Measure, if enforced, will induce several British companies here to cease operations, as vessels would bunker elsewhere. Though principle of free import of bunker coal has been enforced for some sixty years, it is, so far as I can ascertain, based not absolutely on treaty or other rights. I am, however, protesting to Turkish representative against interference with bunkers of international shipping, which is contrary to established practice in other countries generally, which I believe exempts bunker coal from import duties and is seriously detrimental to British interests in particular.

So far Customs here are without instructions as to date of enforcement of decision, which incidentally is likely to be extremely prejudicial to transit trade of Constantinople.

Question of provision in treaty on the subject is perhaps worth considering.

(Repeated to Lausanne, No. 102.)

No. 234.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 17.)

(No. 59.)
(Telegraphic.) [By Bag.]
Lausanne, May 14, 1923

THE Second Committee held a short meeting this morning to deal with the military clauses.

General Pellé explained that the Allies were prepared to accept a declaration on the broad lines proposed by the Turks in lieu of the portion of articles 129 and 130 which the Turks wished to suppress, but that they considered the Turkish draft declaration insufficient in its present form. It would be necessary, he said, to refer the matter to a sub-committee of experts to draft the exact text, but it would be well

to indicate in general terms the desiderata of the Powers in order that principles might be laid down for the guidance of the sub-committee.

Riza Nour Bey, who was in a singularly melting mood, agreed in rapid succession to all the principles enunciated by General Pellé. He raised no objection to the proposal that the sanitary counsellors should be chosen from a panel drawn up by the two international health bodies, and that their salaries should be fixed in consultation with these bodies. He also agreed that it would be necessary to draw up regulations in accordance with the various international conventions. He suggested that this would best be provided for by a further paragraph in the Turkish declaration, thus anticipating what the Allied delegates had intended to propose. He offered spontaneously to strengthen the sole remaining paragraph, which is to be retained in article 130 of the draft treaty by a provision that the proceeds of taxes levied under the sanitary tariff should be devoted exclusively to sanitary purposes, and that there should be a special budget therefor.

We then passed to article 131. We had anticipated that the Turks would object to any alteration, but they admitted readily that the disposal of the reserve funds of the old Board of Health would have to be reconsidered in view of the changes in the arrangements originally proposed in articles 129 and 130 of the treaty. Riza Nour Bey raised no objection to the suggestion that the disposal of the funds was a matter of international concern, and that the two international health bodies should have some say in the matter.

Articles 132 and 133 were confirmed as they stood, except for the substitution at my request of the word "Egypt" for "Alexandria" at the end of the first paragraph of article 132.

An agreement having thus been reached on all the questions of principle, it was left to the sub-committee to draft the text of the declaration and to re-draft articles 130 and 131. It was agreed at the request of the Turks that the sub-committee should meet to-morrow.

These unusually harmonious proceedings were appropriately closed by two suggestions from the chair, the unanimous adoption of which contributed to increase the general good feeling. General Pellé proposed, at my suggestion, that the conference should direct the secretariat-general to convey the thanks of all the delegations to the International Red Cross for the manner in which it had discharged its task in connection with the exchange between Greece and Turkey of civil hostages and prisoners of war. M. Caclamanos rather tactlessly seized the opportunity of drawing the attention of the conference to the recommendation of the International Red Cross in favour of the Greek prisoners still in Turkey. This was out of place, as the delegates of the inviting Powers have already addressed Ismet Pasha on the subject. General Pellé politely ruled M. Caclamanos out of order, and the proposal to address a letter of thanks to the International Red Cross was adopted.

General Pellé then observed that the Turkish festival of Bairam fell due in the course of the next few days, and suggested that the conference should not sit on the first day of the festival. He said that the matter lay with the Turkish delegation, as this suggestion had been made out of consideration for them. The Turks were obviously gratified at this attention, and welcomed the suggestion, which was adopted after an amusing little discussion as to when the first day of the festival fell. The Turks agreed among themselves that Thursday, 17th, was the safest day to choose, and it was decided that no committee should meet on that day.

We have now got to the point at which it will be difficult for General Pellé to hold any further meetings of his committee without either facing up to the reparations question or evading it more obviously than he has hitherto had to do. I trust, therefore, that an issue from the deadlock described in my telegram No. 57 may be found at a very early date.

No 235.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 15.)

(No. 60.)
(Telegraphic.) *Lausanne, May 14, 1923.*

MY telegram No. 56.

M. Venizelos informed me that he had had an interview of over two hours with Ismet this afternoon. He was well satisfied with Ismet's courtesy and did not find

latter so categorical as he had expected in his insistence on requiring indemnity from Greece.

Ismet dwelt on difficulties of his personal position, and on necessity for Turkey to have some moral satisfaction as regards an indemnity from Greece.

M. Venizelos explained that it was materially impossible for Greece to pay anything in shape of indemnity, but, adopting what he thought had been a provision in Treaty of Sèvres, article 231, he told Ismet that in order to give moral satisfaction to Turkish Government he was willing to make a declaration recognising that it was incumbent on Greece to pay indemnity for acts committed by Greek army in Asia Minor contrary to laws of war, if Turkey, on her side, recognised that Greece's financial position precluded payment of any indemnity in respect of such acts, and therefore waived demand for indemnity. An article in that sense might be inserted in treaty. Conversation between the two is to be resumed on Thursday, and M. Venizelos has asked me to ask my colleagues to support him with Ismet. This I promised to do and shall have opportunity of doing so to-night, when Ismet is coming to see me.

No. 236.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 15.)

(No. 61.)
(Telegraphic.) *Lausanne, May 15, 1923.*

ISMET came to see me last night. He began by asking when we should be prepared to discuss arrangements for evacuation of Constantinople. I said it was much too early in the day, and that we must get rid of all big outstanding questions such as Græco-Turkish reparations, interest on debt, judicial safeguards for foreigners, &c. It was impossible to talk of evacuation before we knew peace was assured and would be signed.

Ismet said that our failure to take up question of evacuation was creating suspicion in his country. I said he could not doubt our sincere desire for peace and our wish to leave Turkey as soon as possible. He then referred to question of arms and ships, but I told him that these matters were bound up with question of evacuation of Constantinople.

He then went on to talk about Græco-Turkish reparations, and I said that I had heard what had passed between him and M. Venizelos on the subject. I should observe that I had heard that arrival of M. Alexandris had disturbed Turks a good deal. Ismet gave me rather a different account of his interview with M. Venizelos from that which the latter had given me. He represented M. Venizelos in fact as having delivered a kind of ultimatum to him by saying that unless Græco-Turkish reparations question were speedily settled and got out of the way, Greek army would become restive. This led Ismet to say that it was difficult for Turks to continue negotiations under a threat and to draw a picture of defenceless state of Eastern Thrace. He pointed out that under Mudania Armistice, Turks could only maintain 8,000 gendarmerie in Eastern Thrace. I took this opportunity of telling Ismet that we know that ever since Refet Pasha had been in Eastern Thrace he had been busy building up a force far in excess of 8,000 gendarmerie. Moreover Turks had sent artillery into Eastern Thrace.

Ismet stoutly denied this, but I said that we were aware of what was going on, and that if Turks accused Greeks of violating Mudania Armistice it was certain that Turks had violated it equally.

He maintained his denials and enquired what Allies would do supposing Greek army crossed Maritza. They ought to restore liberty of action to Turks and allow latter to take defensive measures. I said I could not discuss a hypothetical case. I told him I did not believe Greek army meant to resume hostilities, and that MM. Venizelos and Alexandris were reasonable men who did not wish for further adventures. He must continue his conversations with M. Venizelos with a view to reaching a settlement of Græco-Turkish reparations question. I asked him to look at matter from a practical point of view, viz., the utter inability of Greeks to pay anything at all. He could not get blood out of a stone.

Ismet went over old ground about destruction of his country and injustice of not getting some reparations from Greece. He asked me what Allies thought about it, and I said that their opinion was expressed in their wording of article 58. I then enlarged on enormous expense to which Greeks had been put by influx of over

a million refugees. Finally, Ismet said that Greeks ought, at all events, to make gesture of goodwill, and this remark leads me to think that it will be necessary to make offer about Karagatch foreshadowed in my telegram No. 56. What is clear is that Turks will insist on getting some sort of satisfaction in the matter of reparations. Ismet said he wished to speak to me again about question to-morrow or the next day, but I said that I should not be prepared for a further discussion on the subject until Thursday morning. I hope by then to be in possession of your views on M. Venizelos's tentative proposal.

Ismet is naturally very much [group undecypherable] Greek threat in Western Thrace, and certain minatory utterances of M. Venizelos's entourage are not calculated to smooth over matters. Ismet is trying to drag Allies into the matter in the sense of restraining Greeks on the one hand, and on the other of allowing Turks a free hand in Eastern Thrace. I feel situation as between Greece and Turkey will continue to be dangerous until reparations question is out of the way, and that we ought to get it out of the way as quickly as possible. M. Alexandris, whom I also saw yesterday afternoon, and who spoke on same lines as M. Venizelos, said that he hoped some means would be found of settling reparations question by beginning of next week.

No. 237.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 21. Confidential.)
(Telegraphic.) *Foreign Office, May* 15, 1923.

YOUR telegram No. 56 of 13th May.

Allied generals at Constantinople are alarmed by northward movements of large bodies of Greek troops, estimated at a division, in Western Thrace, which appear to foreshadow Greek advance into Eastern Thrace and on Constantinople. Presumably these movements are connected with plan, favoured by Greek military authorities, of an early resumption of hostilities, to which M. Venizelos as well as Greek Minister for Foreign Affairs have definitely declared themselves opposed, unless all efforts to come to terms with Turks over question of reparations should fail.

We are uncertain as to precise geographical limits of M. Venizelos's suggested concession, which appears to be limited to small triangle between Maritza and Arda, and to contemplate retention of rest of Demotika block by Greece. If so, this seems a very patchwork and impracticable proposal. Whatever it be, do you consider that if proposed in the last resort it would be likely to bring about settlement, or that on the contrary it would endanger it, by creating impression that Allies will make any concession rather than lose the peace? If the former, which I much doubt, His Majesty's Government would not wish to stand in the way of proposed transaction, and you might support it, but only if all other means of arriving at a settlement with the Turks fail.

Meanwhile you will probably agree that Allied generals at Constantinople may be assured, on the strength of M. Venizelos's statement to you, that there is no question of an immediate denunciation of armistice by Greek Government, or of resumption of hostilities by them without previous notice to Allies. It is difficult to believe that they would embark on such adventure in the face of decided opposition of Allied Governments, of which they are fully aware.

Please speak on this point to M. Venizelos, and on receiving from him confirmation of assurances in above sense, telegraph to Acting High Commissioner at Constantinople.

(Addressed to Lausanne, No. 21; repeated to Paris (by bag), No. 225; Rome, No. 140; Constantinople, No. 152; and Athens, No. 76.)

No. 238.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 77.)
(Telegraphic.) *Foreign Office, May* 15, 1923.

MY telegram No. 21 of to-day to Sir H. Rumbold.

Please endeavour to obtain reliable information concerning reported movements of Greek troops and renew warning to Greek Government against folly of allowing

their military authorities to create situation which might precipitate hostilities contrary to declared intentions of M. Venizelos and Minister for Foreign Affairs, and would certainly wreck conference at Lausanne.

The Allied Powers would view any such proceeding with extreme displeasure, and could not allow Greece to profit by it.

His Majesty's representatives at Paris and Rome have been directed to invite Government to which they are accredited to instruct your colleagues to take similar action.

(Addressed to Athens, No. 77; repeated to Paris, No. 226 (by bag); Rome, No. 141; Lausanne, No. 22; and Constantinople, No. 153.)

No. 239.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 16.)

(No. 169.)
(Telegraphic.) R. *Athens, May* 16, 1923.

MY telegram No. 160.

Prime Minister has issued official statement regarding interview between M. Venizelos and Ismet, report of which I presume has reached you direct from Lausanne. Prime Minister added that to-morrow M. Venizelos was to receive Ismet's reply on the question of indemnity, which would then be submitted to conference. Only if conference were to insist on Greece paying indemnity to Turkey would former recall her delegates from Lausanne.

Prime Minister observed that interview between Sir H. Rumbold and Greek Minister for Foreign Affairs was first occasion since six months on which an official British delegate had entered into official contact with member of Greek Government.

(Repeated to Constantinople and Lausanne.)

No. 240.

Mr. Bentinck (No. 26) to Acting Consul-General, Salonica.—(Repeated to Foreign Office; Received May 16.)

(No. 171.)
(Telegraphic.) *Athens, May* 16, 1923.

MILITARY attaché has information that a division, believed to be the 14th, is at Leftera, near Cavalla, and that ships are kept ready for its embarkation. Can you or British military representative comment? Are there any other movements?

(Repeated to Constantinople.)

No. 241.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 16.)

(No 297.)
(Telegraphic.) *Constantinople, May* 16, 192 .

GENERAL Officer Commanding-in-chief has telegraphed to War Office appreciation of situation here in possible event of Greek advance across Maritza and course of action which Allied generals propose to adopt in the event of such a contingency, which, however unlikely, cannot be entirely disregarded.

While I fully realise that we must be ultimately guided by military considerations and effect of any action on safety of Allied forces, I cannot but feel strongly that if it be militarily possible and even at a certain risk Allied forces should not evacuate Constantinople. In a conflict between Turks and Greeks in Europe its fate would otherwise be likely to be that of Smyrna, and I would not wish to expose city and population to that danger except as last resort and in case of *force majeure*.

No. 242.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 17.)

(No. 62.) [By Bag.]
(Telegraphic.) *Lausanne, May 15 1923.*

THE Third Committee this morning considered the new draft of article 78 prepared by the economic experts, the report of the economic experts dated 12th May, and the remaining provisions of the Commercial Convention, *i.e.*, articles 12–20.

Article 78. The Turkish and Serbian delegates having agreed that the article should not apply to matters referred to in the Serbian-Turkish Treaty of Constantinople of 1914, it was agreed to add Serbia to the article, which was passed without any other alteration.

Article 82.—I made a reserve with regard to paragraph (*c*), explaining that the reference to dissolution by the national law of one of the parties to the contract should only apply in the case of partnerships, and this paragraph was referred back to the experts for further consideration. Subject to this point and to the reserve made by the Allied representatives with regard to concessions, the article was accepted.

Articles 83–88.—These articles were accepted in the form agreed by the experts, subject to the observations with regard to article 87 contained in the report and subject to the general Turkish reserve on article 84 as regards the Mixed Arbitral Tribunal.

Article 89.—This article was accepted subject to further consideration by the experts after hearing representations to be made by the Roumanian delegation for some alteration of the date of 29th October, 1914, with regard to some countries which entered the war at a later date.

Article 90.—This article was accepted in the form agreed on by the experts subject to the omission of the words "au moins" near the end of the article.

Articles 91–93 *and the Annex.* The recommendations in the experts' report were accepted.

Articles 101 *and* 101 *bis.*—A point was raised by the French delegation as to whether article 101 *bis* should be placed immediately after 101 or in some other part of the economic clauses. Hassan Bey stated that the Turkish delegation only accepted article 109 on condition that 101 *bis* immediately followed it, and no definite conclusion was reached on this point.

Articles 102–107.—The recommendations of the experts were agreed to.

Commercial Convention.

Article 12.—This article was referred to the experts for consideration of the addition proposed by the Turkish delegation.

Article 13.—It was agreed to delete this article, as the matters dealt with in it would be disposed of elsewhere in the convention.

Article 14.—This article was referred to the experts on the demand of the Italian delegation.

Article 15.—This article was accepted.

Article 16.—The proposed Turkish modifications were referred to the experts.

Article 17.—This article was agreed.

Article 18.—This article was referred to the experts.

Article 19.—The Turkish representative objected to the power of adhesion being given to all other Powers, and he was asked by the chairman whether they would agree if the power to adhere were limited to Powers who had been allied with Powers other than Turkey during the war. Hassan Bey replied that they wished to maintain complete freedom of negotiation with any Power which was not a party to the treaty. No final decision was come to.

Article proposed by the Turkish Delegation after Article 19.—The Greek, Serbian and Roumanian delegates objected to the proposal to limit the duration of the convention to one year in their cases. After considerable discussion, Hassan Bey suggested that the Turkish delegation might be disposed to agree to the convention having the same duration with regard to all the signatories if the smaller Powers would undertake with regard to Turkey the same obligations which Turkey was required to undertake by the convention. The article was referred to the experts.

Article 20.—This article was agreed.

No. 243.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 16.)

(No. 65. Confidential.)
(Telegraphic.) *Lausanne, May 17, 1923.*

YOUR telegram No. 21.

I have seen M. Venizelos and Greek Minister for Foreign Affairs together.

They gave me a formal assurance that Greek Government have no intention of immediately denouncing armistice or of resuming hostilities without previous notice to the Allies. This assurance can certainly be passed on to Allied generals at Constantinople. Both M. Venizelos and M. Alexandris strongly demurred to suggestion that troop movements in Western Thrace indicated aggressive designs against Eastern Thrace. They pointed out that, as a matter of fact, concentration of Greek army has been completed.

I emphasised to them both, in strongest possible terms, criminal folly of any adventurous policy at this stage from point of view of conference and Greece.

M. Venizelos and Greek Minister for Foreign Affairs replied that fact that they were contemplating cession of Karagatch in last resort to Turks in return for a complete waiving of demand for reparations from Greece was a proof that they were pushing conciliation to utmost extent possible. But they pointed out that Græco-Turkish reparations question must be settled "within a reasonable time." That they were ready to exhaust every means of settling this question, but if they could not do so then they would be solid with military in considering that only issue would be a resumption of hostilities. Even in that case they undertake that present Greek Government would formally [*sic*] denounce armistice after previous notice to Allies.

Present position of question is as follows: Venizelos and Alexandris have telegraphed to Greek Government for permission to make, in last resort, proposed cession of Karagatch and small triangle between Maritza and Arda to Turks. They have not yet received an answer to their telegram, and M. Venizelos has informed Greek Government that if they reject his proposal he will decline to represent Greece any longer at conference, and will ask that Colonel Gonatos should be sent here in his place. M. Venizelos is to have an interview with Ismet to-morrow, and I propose to await result of that interview before seeing Ismet myself. M. Venizelos purposes submitting three proposals:—

1. A waiving of demand for reparations in accordance with article 58 of Allied draft;

2. A formula acknowledging that Greece ought to pay for damage committed by army in Asia Minor contrary to laws of war, provided that Turkey, on her side, recognises that financial situation of Greece renders payment of any indemnity impossible; and

3. Cession of Karagatch and small triangle above mentioned.

It will be seen that he has dropped the idea of reference to arbitration of counter-claims of Greece and Turkey, because in his opinion such a procedure would mean that reparations question would be still left in suspense, and he wishes an immediate settlement in the interests of peace.

Both M. Venizelos and M. Alexandris insisted more than once that they would in no circumstances consent to payment of reparations, and that if Turks were intractable a breach between the two countries would be inevitable. They also urged that this question should be settled within a week, as every day's delay allowed for occurrence of incidents which would still further inflame Greek public opinion, which is already exasperated by treatment meted out to Greek prisoners of war and by closing of Greek banks at Constantinople and Smyrna. I have been impressing above point of view on my colleagues for some time past.

M. Venizelos, whom I had informed of my conversation with Ismet (as reported in my telegram No. 61), is confident that Turks will [? forgo] demand for an indemnity if they get Karagatch.

I do not think such a concession, which is absolutely conditional on complete waiving of Turkish reparations claim on Greece, would endanger a settlement by creating impression that His Majesty's Government would make any concession rather than lose peace. I am under the impression that Turks have a considerable respect for His Majesty's Government at the present moment. Their whole attitude at present

conference has shown this, and manner in which Turkish delegation attends to remarks made by British delegation has impressed everybody. Second question at issue is known to be one which after all does not primarily concern Great Britain, France or Italy, and cession is proposed by Greece herself.

Stipulations of Thracian frontier convention regarding demilitarisation would, of course, apply to any Græco-Turkish new frontier.

Last twelve groups of your telegram under reply were undecypherable, and I am still awaiting a repetition.

I thought it, however, desirable to act at once

(Repeated to Constantinople and Athens.)

No. 244.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 17.)

(No. 66.)
(Telegraphic.) *Lausanne, May 16, 1923.*

GREEK Minister for Foreign Affairs informed me that he had had a telegram from Greek Government to the effect that Reouf Bey, President of the Council of Turkish Ministers, had sent an agent to Greeks to propose that Turkey and Greece should make peace on basis mutually waiving indemnities. Agent in question is described as being a foreigner. Greek Minister for Foreign Affairs has asked Greek Government by telegraph whether he can make use of above information with Turkish delegation.

(Repeated to Athens.)

No. 245.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 17.)

(No. 173.)
(Telegraphic.) *Athens, May 16, 1923.*

YOUR telegram No. 77.

I made communication to head of Political Bureau of Ministry for Foreign Affairs as instructed.

M. Politis expressed himself as painfully surprised, as he had hoped nothing of the kind would have been said. He pointed out that Turks were continually breaking Mudania Convention with impunity and strengthening their position in Eastern Thrace. Present situation could not drag on, and *moral* of army would decline if there were further delay. He feared our *démarche* would create painful impression in country when it became known; that it would encourage Ismet in adopting uncompromising attitude and weaken hand of M. Veniselos.

Turks would never come to agreement if they knew Allies would not allow Greece to use only weapon which could bring them to reason. He hinted at possible resignation of M. Veniselos.

I mentioned reported movements of Greek troops having somewhat alarmed military authorities at Constantinople: that there were continual reports in Athens that General Pangalos would act on his own without approval of Greek Government or of M. Veniselos, and that in any case a military advance seemed to be most risky. He expressed himself as confident regarding ability of army to defeat Turks.

I asked if I could assure you that Greek army would not move without approval of M. Veniselos, in whom I thought everyone had confidence. M. Politis would not go as far as that because, he said, if Government gave such an assurance it would become critical and again encourage Turks. If M. Veniselos could threaten that army might get out of hand it would be a useful card to play. But he said that I might assure you that if Turks gave way on indemnities question there would be no war. If they refused to give way there would in any case be an interval before Greek army advanced, to enable M. Veniselos to acquaint Powers with situation. Greek army would not advance in defiance of orders of Government, and General Pangalos, I added, had never yet disobeyed orders of Government.

He proposed to telegraph to M. Veniselos to-night gist of our conversation.

My impression is that M. Politis wished me to understand that action of Powers was deplorable, as it was weakening Greek bluff against Turks and encouraging Turkish bluff against both Greeks and Allies.

I am endeavouring to obtain information regarding reported movements of troops.

(Repeated to Constantinople and Lausanne.)

No. 246.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 17.)

(No. 174.)
(Telegraphic.) R. *Athens, May 17, 1923.*

MY telegram No. 169.

Asked regarding proposal to refer indemnities question to Hague Court arbitration, Prime Minister informed journalists that Greek Government were determined to insist on demand for immediate solution, and though they were not unfavourable to arbitration they were not disposed to accept further delay.

(Sent to Lausanne; repeated to Constantinople.)

No. 247.

Acting Consul-General Hole (No. 28) to Mr. Bentinck.—(Repeated to Foreign Office; Received May 17.)

(No. 2.)
(Telegraphic.) *Salonica, May 17, 1923.*

YOUR telegram No. 26.

Reliable report received this morning corroborates many troops moved from Cavalla to Leftera, where they were inspected by Plastiras during his recent visit.

About fifteen ships of 2,000 tons or over are there on short notice, and a quantity of small boats; at Dedeagatch six large troopers, and Salonica ten, of various tonnage, loaded with military stores. Troops are keen and well equipped, some wearing old British uniforms with regimental badges still attached.

Repeated to Constantinople, No. 4.)

No. 248.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 26.)
(Telegraphic.) *Foreign Office, May 17, 1923.*

YOUR telegram No. 53 of the 12th May: Negotiations between concessionary companies and the Turkish Government.

We agree that conclusion of the treaty should not be delayed by the negotiations with concessionary companies, but it will only be possible to gauge attitude of the Turkish Government after negotiations have commenced. Question of giving the Turks a time limit within which to conclude the negotiations could then be considered by you with the French and Italians. In the meantime it would be well if Ismet's attention were drawn to the possible situation and that he be pressed to urge on the Turkish Government the necessity of expediting the negotiations.

No. 249.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 156.)
(Telegraphic.) D. *Foreign Office, May 17, 1923.*

LAUSANNE telegram No. 53 of 12th May.

In view of possible completion of work of conference at an early date, it is essential that conclusion of treaty should not be delayed by the negotiations between concessionnaires and the Angora Government.

You should therefore draw Adnan Bey's attention to undesirable situation which may arise and urge on him the necessity of speeding up the Angora negotiations as much as possible.

No. 250.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 157.)
(Telegraphic.) R. *Foreign Office, May 17, 1923.*

YOUR telegram No. 290 of the 14th May: Turkish proposal to impose import duty on bunker coal.

Action approved.

No. 251.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 18.)

(No 175.)
(Telegraphic.) *Athens, May 17, 1923.*

HEAD of Political Bureau called again to see me this evening after having communicated to Council of Ministers message contained in your telegram No. 77, which has caused them also pained surprise. They had also communicated with General Pangalos, who had warmly insisted that he would take no action without the authority of Government.

M. Politis had not yet seen telegram from M. Veniselos mentioned in Sir H. Rumbold's telegram No. 65, extracts from which I read to him. I urged most strongly that Greek Government should not do anything which should provoke his resignation. M. Politis said he had no reason to suppose that Government would not follow advice of M. Veniselos, that he knew intention of every member of Cabinet was to accept his guidance, and he thought Government would be prepared even to yield on question of Karagatch if M. Veniselos urged. If, however, Turks proved intractable or gave evasive reply, question could not be allowed to drag on, and resumption of hostilities seemed the only course. For this reason Premier no longer favoured arbitration, which must mean further delay.

I again read to him middle paragraph of your telegram No. 77 [? group omitted] of which he notes. He expressed hope that Sir H. Rumbold would support M. Veniselos, as that would certainly bring Turks to reason. He added that influence of power which should assist Greece now in her hour of need would be paramount in Greece.

I said that Sir H. Rumbold was doing all he could to reach a peace and appeared to be in close co-operation with M. Veniselos. Greek Government must not do anything foolish, but must assist them in their task.

French Minister is as yet without instructions. He informed his Government some days ago that he considered situation very grave. I personally feel happier this evening, for everything tends to show that Greeks wish to act in accordance with our wishes, but if there is further delay situation will then undoubtedly become most grave.

(Sent to Lausanne; repeated to Constantinople.)

No. 252.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 67.) [By Bag.]
(Telegraphic.) *Lausanne, May 17, 1923.*

THE First Committee met yesterday morning and reviewed the position in regard to various articles in the treaty, which have been the subject of discussion between individual delegations and the Turks or which had been referred to experts. We placed on record the position regarding these articles as follows:

Article 3.—The French and British delegations respectively are still engaged in private conversations with the Turks about this article.

Article 16, *paragraph* 2, *of the Turkish Draft.*—The French are still discussing this with the Turks.

Article 19, *last two paragraphs of the Turkish Draft.*—The British delegation are still awaiting the concurrence of His Majesty's Government in the solution provisionally adopted here by the jurists.

Article 20.—The private discussions between the Italians and the Turks have reached an advanced stage, and the Italians hope for a settlement before the committee again meets on 19th May.

Article 25.—General Pellé withdrew his reservation regarding the jurists' redraft of the second paragraph, which he is now prepared to accept. The Italians still maintain their reservation, as their attitude depends on the settlement regarding article 20.

Article 26.—The committee considered a redraft prepared by the jurists, which reads as follows:—

> "Les hautes parties contractantes déclarent accepter, chacune en ce qui la concerne, l'abolition des Capitulations en Turquie, tant au point de vue des conditions d'accès et de séjour des étrangers, qu'au point de vue fiscal, judiciaire, économique et financier."

General Pellé took exception to the words "et financier" at the end of his draft, on the ground that the words "fiscal, judiciaire et économique" covered the whole range of the Capitulations, and the addition of the words "et financier" might create doubt as to the position in regard to the purely financial obligations of Turkey and arrangements made between her and her creditors, matters which had no connection with the Capitulations. It was decided, after some little discussion, to send the article back to the Drafting Committee for further consideration of this point.

Article 27.—This is still the subject of private discussion between the French and Italian delegations and the Turks.

Article 141.—Ismet Pasha accepted the redraft of paragraph 6 of the Anzac regulations, which had been privately negotiated between the British and Turkish experts (see my despatch No. 44 of 15th May). The paragraph will therefore read as follows:—

> "Le Gouvernement ture accepte que lesdites formalités, qui doivent être aussi simples que possible, ne soient pas, sans préjudice toutefois des autres dispositions de cette annexe, plus onéreuses que celles imposées aux autres étrangers se rendant en Turquie et qu'elles soient remplies dans des conditions tendant à éviter tout retard inutile."

I announced that active discussions were in progress regarding articles 152 and 153 and the first two of the three new articles which the Turks wish to insert after article 159. As regards the third of these new articles, I said that the British delegation had suggested that the point should be covered by a declaration to be made by the Greek delegation, and that a draft declaration had been submitted to the Turks and the Greeks which it was hoped would provide the basis of a definite settlement at the next meeting of the committee. I had, as a matter of fact, agreed the form of the proposed declaration with M. Veniselos yesterday and had hoped to obtain the assent of the Turks before this morning's meeting. The latter, however, asked at the last moment, for further time to consider it.

The committee adopted the draft of the additional article of the Thracian Frontiers Convention as drawn up by the sub-committee of experts. (For the text of this, see my despatch No. 40 of 15th May.)

We then took the report of the sub-committee appointed to discuss the form of the Turkish declaration which is to replace articles 15 and 24 of the convention concerning the régime for foreigners. I am sending home a copy of this report in my despatch No. 46 of 16th May. We discussed at length the four points on which the sub-committee had been unable to reach any agreement.

Ismet Pasha was very intractable. As regards point 4, he was impervious to all arguments in favour of including in the declaration institutions of Roumanian, Jugoslavian and Greek nationality. He argued that in making any declaration at all the Turks were going out of their way to oblige the Powers, and they were under no obligation to extend its provisions to other than French, British and Italian institutions. I reserved the point after a debate so futile that it is not worth while to report it in any detail.

As regards point 6, Ismet Pasha stubbornly maintained that he could not agree to any formula which would qualify the stipulation that foreign institutions must be governed by Turkish law. It was pointed out by myself and my colleagues that

something was necessary to protect institutions against unreasonable action such as would destroy their fundamental character. Ismet Pasha relented to the extent of admitting that provision might be made for certain specific points, and it was decided to refer the matter back to the sub-committee. We pointed out to Ismet Pasha that there was no disagreement on the question of principle involved, and that if only his representative on the sub-committee were given power to negotiate a formula, it should be possible to find a solution. We insisted on this point, because the failure of the sub-committee to reach an agreement is largely due to the fact that the Turkish delegate had apparently had no latitude whatsoever.

As regards point 7, Ismet Pasha refused to say anything, except that the creation of new institutions must be governed entirely by the provisions of Turkish law. We vainly pointed out to him that he was not asked to enter into any commitment beyond an admission that the question of such new establishments might be discussed between the Turkish Government and the Powers concerned. We could not move him from this position, and when we asked point-blank whether his attitude meant that Turkey intended not to authorise the creation of any new establishments, he screened himself behind a reaffirmation of what he had said already, to the effect that the matter would be entirely one to be decided in accordance with Turkish law.

Ismet Pasha was, if possible, even more unbending as regards point 8. He maintained that it was entirely inequitable to ask for any continuance of customs immunities. It was finally agreed that all the points at issue should be reconsidered by the sub-committee subject to a reservation on Ismet Pasha's part, especially as regards point 8, that he could not agree to any privileged treatment of foreign institutions.

This sterile debate left the question of the future of foreign institutions exactly where it was yesterday when the report of the committee was drawn up. We are asking for extremely little, but the Turks do not want to commit themselves even to that little because their attitude towards foreign institutions, and especially schools, is based on extreme nationalism, and they view with implacable hostility the activity of schools which give a foreign or semi-foreign education to large numbers of native children. I fear that the position of all foreign schools, and in a lesser degree other institutions, will be one of great difficulty for some time to come. It is, however, necessary to reach an agreement. I think we shall have to give way on point 4. So far as I know, there are no Roumanian or Jugoslavian institutions involved, and the Turks will not be prepared to commit themselves in any way as regards Hellenic institutions, of which there are probably a certain number. So far as I am concerned, I do not propose to press point 7 any further. I should be very sorry to see any new British institutions started in present conditions, and, if things should improve later, we can always take the question up with the Turkish Government, whatever Ismet may say now. I propose also to get my colleagues to drop point 8, as I do not think we can defend the request for customs immunities, to which only the French and Italians attach importance. I shall endeavour to arrive at some formula to cover point 6, as the present attitude of the Turks makes it very important that we should at least have some ground of diplomatic action if they should push their hostility to existing institutions too far.

At the end of this morning's meeting I urged everyone concerned to collaborate in enabling me to dispose of as many outstanding points as possible and also to take the Convention concerning the Régime for Foreigners at my next meeting on 19th May. This morning's meeting, disheartening as it was, has prepared the ground, and I hope to be able to report better progress with the remaining work of my committee in three days' time.

No. 253.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 18.)

(No. 69.)
(Telegraphic.) *Lausanne, May* 17, 1923.

MY telegram No. 65.

I saw Ismet this morning. He asked me whether I could report any progress in the matter of Græco-Turkish reparations question, but I replied that as he wished to see me I had come to hear what he had to say.

He said position as between himself and M. Veniselos was that he could not accept latter's formula, which only contemplated moral satisfaction for Turkey. Turkey must have some form of reparation.

After again explaining to Ismet that it was impossible for Greece to pay any indemnity having regard to her financial situation, and that, therefore, it was useless to insist on this, I asked him what he had meant by an expression he had used when I had last seen him: "That Greece should give some proof of goodwill in this matter." He replied that he had meant that Greece should make some practical proposal, and on my pressing him said that this proposal might be something in lieu of cash. For instance, Greece had ships. He said that if Greece made a practical proposal he would examine it carefully. He added that he was not in favour of a reference to arbitration of Græco-Turkish reparations question, because it was desirable to get question settled straight away. I reminded him that basis on which Turks had suggested reference to arbitration was quite different from Greek basis. Finally, he said that if Greeks made an acceptable proposal it was clearly understood that Turks would definitely drop their demand for reparations.

Having listened to him, I told him that I would inform M. Veniselos of what he had said, and added that I understood he was to see M. Veniselos himself in the meantime. He confirmed this.

I subsequently informed M. Veniselos of my conversation with Ismet. M. Veniselos said that he was still without a reply from Athens with regard to his proposal for cession of Karagatch and small triangle between Maritza and Arda (there is no question of cession of Demotika). He explained that in the absence of a reply from Athens his hands were tied, and all he could do was to ask Ismet for a reply to his proposed formula providing moral satisfaction for Turkey. He could not make a fresh proposal to Turkey, but he might bring Ismet to point of making some suggestion. I told M. Veniselos that I could not usefully intervene any further in this matter for the present, and although I did not, of course, say so to him, I may say that I find rôle of mediator between Greeks and Turks in this matter anything but satisfactory, as I have greatest difficulty in ascertaining exactly what has passed between the two.

I took an opportunity of informing M. Veniselos of contents of Athens telegram No. 64, and said that it was a great pity that Greek Prime Minister should have referred to eventuality of recalling Greek delegates from Lausanne. I said that such statements, combined with alarmist telegrams appearing in Greek press or telegraphed from Lausanne, were calculated to create a difficult situation. No object was to be gained by exaggerating matters.

(Repeated to Constantinople and Athens.)

No. 254.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 18.)

(No. 70.)
(Telegraphic.) *Lausanne, May* 17, 1923.

(R.) I ASKED Ismet this morning for a reply to British proposal that frontier between Turkey and Irak should be delimited within a period of six months. He replied that his Government could not accept reduction of period from twelve to six months, and he based this refusal on the ground that he had explained arrangements come to on this question with Great Britain during first phase of conference to Grand National Assembly, and it would not do to suggest modifications in those arrangements. Moreover, he repeated that his Government did not think that it would be practically possible to delimit frontiers within six months.

I replied there was a new factor since first phase of conference, viz., declaration of British policy with regard to Irak, which I had read to him. We wished to secure entry of Irak into League of Nations as soon as possible. Irak could not become a member of League until her frontiers had been defined. This was reason for which we wished to reduce period for delimitation of those frontiers. Ismet said that he quite understood this, but repeated that it was not possible to modify period originally mentioned. I said that I could not agree that his arguments were strong, and tried to shake him, but to no purpose. Finally I threw out personal suggestion

that he might agree to nine months. He said he would telegraph this suggestion to his Government. I asked him whether he accepted rest of formula as it stood, and, after reading it through again, he replied in the affirmative. (End of R.)

He made no reference whatever to Rowanduz, and, as he is prepared to accept our redraft of formula, I venture to think we should clinch matter even if Turks do not give way on question of period within which frontier is to be delimited.

No. 255.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 18.)

(No. 176.)
(Telegraphic.) *Athens, May 18, 1923.*

MY telegram No. 175.

When I warned M. Politis last night against danger of resumption of hostilities, instancing disillusionment of Germany in 1914, he declared that Greeks were absolutely confident of being able to reach Chatalja easily. They had nothing to fear either from Turkey or Bolsheviks, and everything to gain by recovery of Eastern Thrace with a shorter line to guard. The one restraining factor was desire not to act contrary to wishes of Powers, and particularly of England.

(Sent to Lausanne; repeated to Constantinople.)

No. 256.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 18.)

(No. 73.)
(Telegraphic.) *Lausanne, May 18, 1923.*

YOUR telegram No. 26.

I had already taken advantage of my visit to Ismet yesterday to speak to him in exact sense of last paragraph of your telegram under reference.

No. 257.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 178. Confidential.)
(Telegraphic.) *Athens, May 18, 1923.*

MILITARY attaché saw yesterday Chiefs of Naval and General Staffs and head of Second Bureau of General Staff.

Chief of Naval Staff said that shipping amounting to 60,000 tons requisitioned two or three months ago was ready and sufficient for all military needs. He hoped for early peace, but thought a little war first would be good.

Chief of the General Staff, who spoke to military attaché a few days ago gravely of Greek situation, assured him definitely yesterday that he knew of no movements of troops in Thrace and Macedonia, and was confident that none, except local movements of small bodies, had been made without his knowledge. All preparations had been made for advance, and army was ready, but troops were remaining in their positions on front. Even if M. Veniselos and Minister for Foreign Affairs left the conference it would not necessarily mean war. General Pangalos and army would obey Government, which would conform to wishes of Allies. If Allies gave sanction, Greece would fight. If they told Greece not to advance, army certainly would not think of forcing Allied sentries on Maritza. But Greece would not pay an indemnity.

Head of Second Bureau believed that there would be peace, because both Turks and Greeks wanted it. He said in confidence that the only people in Greece who wanted war were General Pangalos and chief of the Revolutionary party and some of their friends for political reasons.

(Sent to Lausanne; repeated to Constantinople.)

No. 258.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 179.)
(Telegraphic.) *Athens, May 18, 1923.*

MY telegram No. 175.

Italian Chargé d'Affaires has to-day received his instructions. He read to me telegram from Lausanne in which M. Montagna hinted at pressure being put on Greece by Allies to force them to yield to Turkish demand for reparation. Italian Chargé d'Affaires agrees with me that this would be most unjust, and that it would also assume grave responsibility on our part, for even if it prevented war, it would almost certainly provoke another and more disastrous revolution.

I venture to remind you that M. Montagna is violently hostile to the present régime in Greece, and I fear this hostility may warp his judgment, also that Chargé d'Affaires can scarcely be expected to take strong line against proposals of his ex-chief.

With reference to suggestion in Lausanne telegram No. 69, I feel sure that Greek Government could never surrender merchant marine, which is the life-blood of Greece, and public opinion would certainly prefer war.

(Repeated to Constantinople and Lausanne.)

No. 259.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 180.)
(Telegraphic.) *Athens, May 18, 1923.*

FOLLOWING details of Greek army in Thrace and Macedonia given to military attaché by General Staff:

Cavalry division has all four regiments (one still incomplete) in Demotika area.

Army troops include new 9th division at Xanthi, formed from old independent brigade by addition of divisional troops and of one railway guard regiment; [twenty-four] 6-inch howitzers in two groups; eight 120-mm. guns; eight Skoda howitzers 150-mm., four 105-mm., sixteen 75-mm.

The five covering battalions on Macedonian frontier are each 800 to 1,000 strong and under lines of communication.

General Staff cannot give strengths of formations until new monthly state arrives. Total actually present and fit for duty in Thrace and Macedonia is about 130,000, including returned deserters. Military attaché thinks that this should give about 55,000 rifles in first line.

The three army corps camped complete with artillery. The 9th division has one group of mountain. The cavalry division has one group of field. This would give total of 116 field and 152 mountain guns.

Reference Salonica telegram No. 28 to me, last monthly state received by General Staff placed Cretan division at Leftora and 14th division at Cavalla (see my telegram No. 178).

(Sent to Lausanne; repeated to Constantinople.)

No. 260.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 181. Confidential.)
(Telegraphic.) *Athens, May 18, 1923.*

I LEARN that late last night meeting took place of military members of Government, from which civilian members were excluded.

(Repeated to Lausanne.)

No. 261.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 299.)
(Telegraphic.) *Constantinople, May 18, 1923.*

MY telegram No. 297.

Meeting of Allied generals, admirals and acting High Commissioners was held to-day to discuss policy in the event of renewal of Turco-Greek hostilities as result of Greek advance.

It was decided to ask for definite expression of views of three Governments as to whether—

(*a.*) They accept recommendations of Allied generals as based on military considerations and set forth in General Harington's telegrams to War Office and in appreciation contained in my despatch No. 293, which should reach Foreign Office on 20th May.

(*b.*) They, for political or other reasons, regard Allied forces here as responsible not only for safety of Allied nationals, but also for that of whole city and population.

In the event of Allied Governments accepting (*a*), action will be taken in accordance with generals' proposals, namely, evacuation after securing safety of Allied nationals. We would endeavour to come to arrangement with Turks accordingly.

Should, however, Allied Governments consider Constantinople cannot honourably, or without serious loss of prestige, be abandoned, meeting decided that best course in that eventuality would be to ask Turks to sign convention recognising neutrality, under Allied protection and control, of a restricted zone round Constantinople, say from Stenia to San Stefano.

In return for acceptance of that proposal, Turks would obtain valuable advantages of securing Allied neutrality, free passage for their troops from Asia to Eastern Thrace by approved route, liberty for Turkish troops in Constantinople to join Refet Pasha's forces in Thrace, as well as knowledge that Greek warships and transports will not be granted passage through Dardanelles.

Obvious risks entailed by this course would be—

1. Refusal of Turks to accept this compromise;
2. Danger of incidents in Constantinople itself as result of disloyal execution of it by Turks; and
3. Danger of refusal of Greeks if victorious to stop outside neutral zone.

First two would mean conflict with Turkey and third with Greece.

Such neutrality would admittedly be more favourable to Turks than Greeks, since latter would be refused any passage through Dardanelles, whereas restriction on passage of Bosphorus for Turks would only be limited. But it seems hardly possible to preserve strictly impartial neutrality if Allied troops are to remain in Constantinople.

Meeting was unanimously of opinion that Dardanelles must be held in any event, but admirals enquired whether, in the event of war, Allied warships should remain as at present in Smyrna.

I have shown above telegram to General Harington, and my Allied colleagues are telegraphing in similar sense to their Governments. I cannot but believe refusal to allow passage of Turks to Europe would involve us in war with Turkey. On the other hand, I do not believe Greece would attempt any folly if it were made clear to her that her action would lead her into open conflict with the Allies

(Sent to Lausanne, No. 110; repeated to Athens, No. 56.)

No. 262.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 74. Confidential.)
(Telegraphic.) *Lausanne, May 18, 1923.*

MM. VENISELOS and Alexandris have just informed me that Greek Government have given them [? omitted: authority] offer Karagatch and small triangle between Rivers Maritza and Arda in last resort to Turks, provided this offer effects immediate settlement of big outstanding question of reparations between Turkey and Greece and that Turkey definitely dropped their demand for reparations from Greece. They added

that telegram from Greek Government had been sent after mature deliberation by a Cabinet Council, at which General Pangalos was present.

Two Ministers then asked how they should proceed. I told them that I had discussed question with my colleagues this morning in all its bearings, but that my hands had been tied by my inability to hint at what the Greeks were prepared to offer in last resort. I had informed my colleagues of my conversations with Ismet on the subject and had told him that I had derived impression that Ismet now realised that he could not hope to get any cash from Greece, but that he could not return to Angora without something in place of cash. At this point M. Veniselos said that his impression coincided with mine. I went on to say that my colleagues and I had decided that General Pellé should now intervene as president of committee concerned, and that if he could not get Turks to drop their demand for an indemnity, or if both parties reject alternative (*c*) contemplated by London Conference, either Turks or Greeks must be induced to make a proposal for settlement of question. We could not tolerate a deadlock, which would be dangerous.

Question now was how to proceed, and I pointed out to two Greek Ministers that idea of proposing cession of Karagatch would never enter the head of either Turks or my Allied colleagues. M. Veniselos then said that he would see General Pellé at once and tell him, as from himself and without mentioning Greek Government in any way, that he would be prepared to cede Karagatch and above-mentioned small triangle to Turks as a condition of immediate settlement of reparations question. He would suggest that General Pellé should in his turn mention suggestion to Turks as coming from the general himself. M. Veniselos was to tell General Pellé that he had mentioned matter to me. If Turks accepted proposal, M. Veniselos would inform General Pellé that he would telegraph to Greek Government for authority to confirm it.

I regret that my repeated efforts to induce Ismet to agree to one or other of solutions proposed in London have failed, and that we may have to fall back on territorial adjustment.

(Repeated to Athens and Constantinople.)

No. 263.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 77.)
(Telegraphic.) *En clair.* *Lausanne, May 18, 1923.*

FOLLOWING for Colonial Office:—

Turks seem disposed to accept following text of article 65:—

"Les Etats, en faveur desquels un territoire est détaché de l'Empire ottoman par le présent traité, acquerront gratuitement tous biens et propriétés de l'Empire ottoman situés dans ce territoire. Il est entendu que les biens et propriétés, dont le transfert de la liste civile au Gouvernement ottoman fut ordonné par les irades de septembre 1324 (1908) et du 20 avril 1325 (3 mai 1909), sont compris parmi les biens et propriétés visés par l'alinéa précédent. Les biens et propriétés de la liste civile non visés par ladite loi seront considérés comme propriété privée."

Turks cannot or will not give us a list of the properties which were not transferred in 1909. Please telegraph your views as soon as possible.

No. 264.

The Marquess of Crewe to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 508.) [By Bag.]
(Telegraphic.) *Paris, May 18, 1923.*

MUCH interest is aroused in the press here at reported purchase by Messrs. Schroeders of a controlling interest in the Banque des Chemins de Fer orientaux, of Zurich. There seems general suspicion of the part played by British financiers in this matter, and some regret that another opportunity has been lost by France of protecting her vital interests in the Near East. "Pertinax," in an article in the "Echo de Paris" this morning, argues that this implies resumption by Germany of her interest in the Bagdad Railway.

No. 265.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 19.)

(No. 300.)
(Telegraphic.) R. *Constantinople, May 19, 1923.*

YOUR telegram No. 156 and Lausanne telegram No. 53.

Representative of telephone company has left for Angora, and those of other companies are arranging to leave within the next few days. It is certain, however, that definite conclusion of arrangements cannot be arrived at before many weeks. I have accordingly addressed private letter to Aduan in the sense of your instructions, and have at the same time made following observations as coming from myself :—

It would seem scarcely possible, owing to number of companies and complexity of question, to reach final detailed agreement within reasonable time. There are certain principles which govern the case of every company, and which, on the other hand, are simple and essential to equity and justice, namely, recognition (1) of validity of pre-war concessions, (2) of agreed post-war modifications, (3) of claims for war losses which might be discussed in connection with question of increased tariffs, re-adaptation or prolongation of existing concessions, and (4) of recourse to arbitration in the event of failure of agreement within, say, six months.

Recognition of these principles seems to me the crux of the whole question and to afford basis of *entente* which, if agreed upon, would greatly facilitate task of peace delegates. If Turkish Government were ready spontaneously to announce its intention to conclude with foreign countries agreements based on these principles it would obviate necessity of contemplating inclusion of clauses in treaty on the subject, or of postponing conclusion of treaty on account of negotiations with companies.

I have shown letter in above terms to Sir H. Lamb, who concurs in it. If you approve I would reinforce personal observations by official representations in the same sense.

(Sent to Lausanne, No. 112.)

No. 266.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 20.)

(No. 183.)
(Telegraphic.) *Athens, May 19, 1923.*

MY telegram No. 173.

My Italian colleague took similar action yesterday and received similar reply.

Unless French Minister receives instructions shortly, omission will certainly be taken by Greeks as encouragement.

(Sent to Lausanne; repeated to Constantinople.)

No. 267.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 20.)

(No. 184.)
(Telegraphic.) R. *Athens, May 19, 1923.*

MY telegram No. 169.

Prime Minister made another statement to press again threatening withdrawal of Greek delegates if Powers yielded to Turkish demands for indemnity. Greece, he added, would not act contrary to the wishes of the Powers, but if Turkey pushed their uncompromising attitude to the extent of provoking war he hoped that, inasmuch as war would serve interests of Allies even better than those of Greece, Allies would not act in opposition to their own interests.

This latter point is, I think, expressive of general opinion in Greece.

(Sent to Lausanne; repeated to Constantinople.)

No. 268.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 20.)

(No. 185.)
(Telegraphic.) *Athens, May 19, 1923.*

CONSTANTINOPLE telegram No. 299, last sentence.

As already reported, I feel convinced that Greece will not do anything which would lead her into conflict with the Allies, and that one word from your Lordship could hold up victorious Greek army outside Constantinople, provided, of course, that the Turks were not massacring Christians inside. But I trust if war becomes inevitable we shall stand aside and see fair play (see my telegram No. 179), and not deprive the Greeks of the use of their fleet by closing the Dardanelles to them.

(Confidential.)

I know Greeks are most anxious regarding Dardanelles. Presence of two Greek divisions and shipping ready at Leftora and Cavalla seems to favour the idea that Greeks would endeavour to turn Turkish flank by landing troops necessary on south coast of Eastern Thrace. Military attaché has heard from a doubtful source that a landing is intended at Kalli Kratia.

In spite of statement of Chief of Naval Staff (my telegram No. 178) it is perhaps significant that four or five small ships were requisitioned yesterday, and that two large Greek trans-Atlantic liners at Piræus, not due to leave for several weeks, have gone to the expense of raising steam.

(Sent to Lausanne; repeated to Constantinople.)

No. 269.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 21.)

(No. 78.) [By Bag.]
(Telegraphic.) *Lausanne, May 19, 1923.*

THE Second Committee met yesterday morning.

The sub-committee appointed on 14th May to consider the sanitary clauses had produced an agreed report as the result of two meetings. I am sending a copy of this report and the agreed text annexed to it by King's Messenger (my despatch No. 55 of 18th May). I consider the settlement as satisfactory as could have been hoped for. Riza Nour, with whom the agreement was reached in sub-committee, deserves credit for having lived up to his promises in the Main Committee on 14th May. The declaration substituted for the major part of articles 129 and 130 is a great improvement on that originally proposed by the Turks, and gives full effect to the decisions taken in London in March. What remains in the treaty of articles 129 and 130 and articles 132 and 133 has been only slightly modified and calls for no comment. Article 131 threatened to cause difficulty. The formula eventually agreed for the concluding sentence of this article was proposed by the British delegation and satisfied all parties, as it leaves all contentious questions to the future, and provides a practical machinery for dealing with them when they have to be thrashed out.

The report was approved by the committee, subject to the inscription in the minutes of the following two points:

1. It was agreed to place on record a *vœu* of the conference that the balance of the funds, after liquidation, should be devoted to the sanitary needs of Turkey, special mention being made of the requirements of international defence and of the need of restoring lazarets to proper condition.

2. Attention was drawn to the discriminatory effect of articles 1 and 2 of the Turkish law of 16th July, 1921 (see my despatch No. 62 of 19th May enclosing Mr. Henderson's despatch No. 79 of 8th May), and Riza Nour gave assurances which were recorded in the minutes that, when peace was made, steps would be taken to establish equality of treatment for all shipping.

We then took section 3 of the financial clauses. It was agreed to refer article 65 to the experts, after a short discussion in the course of which Zekiai Bey admitted that Turkey could not claim properties which had been transferred from the civil list to the Ministry of Finance, but maintained that anything which had remained the property of the civil list could not be taken over by the Governments of detached

territories without compensation. It was pointed out to him that there must be a distinction between Crown property and property, if any, belonging to imperial personages personally. It was agreed that this point could only be satisfactorily thrashed out between the experts, to whom the Turkish delegation were invited to produce a list of the properties in detached territories, the transfer of which is claimed by them to necessitate compensation.

At a meeting of the financial experts which immediately followed the meeting of the Main Committee, Zekiai seemed disposed to accept the text contained in my telegram No. 77 of the 18th instant. As the Turks admit that the civil list property transferred to the State in 1908 and 1909, which comprises all or nearly all the civil list property in Irak and Palestine, shall pass without payment, no serious difficulty should arise on this article.

Article 66 was maintained.

Articles 67 to 69 were reserved for consideration in connection with the redrafting of the reparation clauses.

Article 70 was referred to the experts, after Zekiai had vainly attempted to maintain that everything in it came within the scope of the negotiations between concessionary companies and the Angora Government. He was forced to admit that the article was of more general scope, and he himself suggested that it should be left to the experts to sift out what should be dealt with in the concessionaries' negotiations, and what remained to be dealt with in the treaty.

This article had already been discussed informally between Hassan Bey and the financial experts. Hassan seemed ready to agree

1. That the advances made by the Debt Council and others to the Constantinople Government should be repaid out of the gold sequestrated in 1919; and

2 That the letter to the Debt Council declaring their past actions during the Constantinople régime null and void should be withdrawn

Yesterday afternoon Zekiai seemed ready to agree that an addition should be made to article 89 whereby contracts made by the Constantinople Government would be confirmed or compensation paid, and that in any case payments made to the Constantinople Government would not have to be paid over again to the Angora Government.

If these suggestions are endorsed by the Turks, it may be possible to agree to suppress article 70

No. 270.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 21.)

(No. 81.) [By Bag.]
(Telegraphic.) *Lausanne, May* 19, 1923.

FIRST Committee met this morning to deal with various outstanding questions.

Article 19 (Cyprus).—The British and Turkish legal experts had agreed on a redraft of this article which is understood to satisfy the Colonial Office. The article as redrafted (see my despatch No. 59 of 19th May) was adopted.

Article 26.—The following re-draft of this article, prepared by the Drafting Committee in the light of the observations made at the recent meeting of the First Committee, was adopted:—

"Les hautes parties contractantes déclarent accepter, chacune en ce qui la concerne, l'abolition complète des Capitulations en Turquie à tous les points de vue."

Article 35.—The French delegation said that they wished to reopen the question of the drafting of article 35, regarding the acquisition of Palestinian nationality by non-Ottoman Jews, although the article was not technically open to re-discussion, as it was accepted by the Turks. They said they wished to complete the article by the addition of some such phrase as "sous condition de se conformer à la loi nationale." I reserved the point, and am telegraphing separately on the subject to day.

The Drafting Committee (see my despatch No. 49 of 18th May) had circulated a note on certain aspects of the first of the three articles which the Turks proposed to add at the end of the treaty dealing with the protection of Wakuf properties in Serbia, Greece and the Ægean Islands. Although my committee had rejected the

Turkish article, so far as Serbia and Greece were concerned, on the ground that the minority treaties of these two countries offered adequate safeguards, the Turkish expert on the Drafting Committee had convinced his colleagues that the relevant articles in these two minority treaties were not, on paper, quite adequate. Whilst explaining that the Drafting Committee were not technically competent to reopen this question, I asked the Serbian and Greek delegations for their observations. M. Yovanovitch protested against the action of the Drafting Committee, and referred again to the written declaration which he had made on this subject at the recent meeting of the First Committee and which is inscribed in the minutes, and to the provisions of the Serbian Constitution and the minority treaty protecting Wakuf properties in Serbia. He explained that his expert had discussed the whole question at great length with Munir Bey and that he regarded the proposed Turkish article as definitely rejected. M. Venizelos, while supporting his Serbian colleague's remarks, said that, as an expert on this question himself, he was willing to attend the Drafting Committee and satisfy the Turkish representative that the Greek Minority Treaty and Constitution gives all the protection required by Turkey. Ismet Pasha, after pointing out that Serbia and Greece were in different positions, as in the former case the Minority Treaty had been ratified and had entered into force, while in the latter case it had only been ratified by Greece, accepted M. Venizelos's proposal. I formally rejected the article again so far as Serbia was concerned.

The committee then considered the final report of the special committee of experts regarding schools and religious institutions, &c., in Turkey. A copy of this report follows in my despatch No. 60 of 19th May. As foreshadowed in my telegram No. 67 of 17th May, I had decided to concentrate on obtaining from the Turkish delegation satisfaction regarding some addition to the Turkish assurances which would give us a basis for diplomatic representations should Turkish legislation in future interfere with the free working of these private foreign schools. As a result of the appeal which I had made at the last meeting of the First Committee, the Turkish expert had been given greater latitude and had agreed to the following addition to the third paragraph of the declaration:—

"Il est entendu toutefois que le Gouvernement turc tiendra compte des conditions du fonctionnement de ces établissements et, pour ce qui concerne les écoles, de l'organisation pratique de leur enseignement."

In order to overcome the difficulty as regards discrimination between the greater and smaller Powers, the committee had agreed to recommend that instead of articles in the convention for foreigners or a unilateral declaration by Turkey attached to that convention, the whole question should be dealt with in identic notes to be addressed by Ismet Pasha to the presidents of the three Allied delegations here This suggestion was adopted by the committee as well as the whole report of the experts. In order to remove the one difficulty left outstanding by the latter, my Allied colleagues and I waived our demand for the exemption from customs duties on the importation into Turkey during a temporary period of articles required by these institutions. Both sides also formally reserved their points of view regarding the right of the Allied Governments in future to open negotiations with the Turkish Government regarding the creation of new schools in Turkish territory. I regard this solution as containing the best terms obtainable in the circumstances. Few new foreign schools will wish to start operations in Turkey in the future, and the identic note will give the Allied Governments a sufficient basis for diplomatic representations if their existing institutions are damaged by Turkish legislation

The committee then discussed a note by the Drafting Committee upon the Amnesty Declaration (see my despatch No. 50 of 18th May). The sentence which the Drafting Committee proposed to add to paragraph 1 of the declaration was meant to extend the benefits of the declaration to Turkish and Greek subjects who had already left Turkish or Greek territory, while protecting any infringement of the Exchange of Populations Convention, so far as the return to Turkey of Greeks coming within the scope of that convention is concerned. Both my Allied colleagues and I took the opportunity, however, to raise the question of the difficulties now being made by the Turkish Government in connection with the return to Turkey of Greeks, Armenians and others who left Turkey and, in particular, Constantinople last autumn. We pointed out that various Greeks and Armenians who had left Constantinople during the panic of last October and November had been furnished with British, French and Italian papers in the place of Turkish passports, which they could never have procured in the circumstances then prevailing. According to

a recent Turkish decree, no Turkish subject who had left Turkey without a proper Turkish passport was to be allowed to return. Many of these Turkish subjects were people of influence and considerable wealth. Their properties were now being treated as abandoned properties owing to the inability of the owners to return. My colleagues and I urged Ismet Pasha to repair this injustice and to interpret the amnesty in the widest possible sense. We pointed out that many of these Turkish citizens were being kept as refugees by foreign Governments, who were thus relieving Turkey of her proper responsibilities. Ismet Pasha promised to look into the question of the passport decree, and said that in general the Turks wished to carry out their engagements fully and to interpret the amnesty declaration in a broad sense.

In the course of the discussion, both Signor Montagna and M. Venizelos pointed out that articles 2 and 16 of the Exchange of Populations Convention fully provided for the right to return to Turkey of Greeks resident in Constantinople and therefore in an area not covered by the Exchange of Populations Convention, who might have left Turkey.

I finally suggested that the first paragraph prepared by the Drafting Committee should be completed by the addition of the words "par le fait des traités," and Ismet Pasha agreed that a committee of experts should examine this, together with the other points in the Amnesty Declaration which are raised below on the Drafting Committee's report.

Three alternative formulas had been prepared by the Drafting Committee to deal with the question of the liberation of Turkish subjects arrested or prosecuted in occupied territory by the Allied Powers. Ismet Pasha preferred the first of these formulas, with the omission, however, of the phrase limiting the scope of the article to those Turks who had been carried off from Turkey. He objected to the other two formulas on the ground that the phrase "all acts committed against the troops of occupation" admitted too wide a latitude of interpretation. I explained, of course, that we were only concerned with attempts against the lives of officers and soldiers of the Allied occupying forces, which was a very serious question. It was agreed that the experts should study the three formulas. Meanwhile I am telegraphing to General Harington for his views.

In paragraph 2 of section 5 of the Amnesty Declaration it was agreed to substitute the Council of the League of Nations for the President of The Hague Court of International Justice as the authority designed to select the arbitrator.

With regard to the protocol which the Turks wished to attach to the Amnesty Declaration excepting the 150 Turks from the scope of the declaration, I emphasised again the undesirability of thus deviating from the provisions of a full amnesty. As, however, the principle of such exception had already been accepted by the conference, I said that I would only ask that the protocol should be worded so as to make it quite clear that the proclamation to be eventually published by the Turkish Government regarding this amnesty should name specifically all these Turks who were to be exempt from its benefits. Ismet Pasha regretted that the Turkish delegation were forced to maintain their request for these exceptions, but agreed that the precise draft of the protocol should again be studied by an expert committee.

M. Venizelos maintained his reserve regarding the extension of the Greek amnesty to offences against military discipline, and it was agreed that this point should also be considered by the special committee to which a Greek expert would be added.

I concluded the meeting by emphatically appealing to the other delegations present and to the Drafting Committee to expedite their conversations and reports on articles 3 (1), 16, 20, 25, 27 and the Convention d'Etablissement. I said that my committee would not meet until the latter convention had been finished by the Drafting Committee, and probably not, therefore, until Saturday next. There would be no meeting of a committee on Monday in order to enable the various experts to catch us up. On Tuesday the Third Committee will deal with certain reports which it is hoped the Economic Sub Committee will by then have prepared, either on the second chapter of the Etablissement Convention or on the Commercial Convention.

The Second Committee can hardly meet again until private conversations on Greco-Turkish reparations have been exhausted or have reached a result, or until differences between Paris, London and Rome regarding general Turkish reparation question have been settled. Possibly, however, Hassan Bey, who has gone to Paris ostensibly to endeavour to negotiate a settlement with representatives of the bondholders regarding the currency in which Turkish debts are to be paid, may ask for a meeting of the Second Committee on his return, on this subject.

No. 271.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 21.)

(No. 82.) [By Bag.]
(Telegraphic.) *Lausanne, May 19, 1923.*

ALTHOUGH my committee has been unable as yet to settle the text of the few remaining articles in the political section of the treaty or to take the convention for the régime of foreigners, which is nearly ready, I think that the moment has now come to attempt to settle the four points outstanding other than the few articles in question, which are dealt with in my telegram No. 81.

I therefore propose next week to try and induce the Turks to drop their demand for Castelorizo and Ada Kaleh on condition of our giving them the Merkeb Islands and possibly agreeing to the thalweg of the Maritza as the frontier, provided M. Venizelos has no objection. M. Venizelos recently suggested conceding the thalweg of the Maritza as a further inducement to the Turks to drop their demand for an indemnity from Greece. It is clear that the thalweg cannot be used for two bargains.

We are waiting for the completion of the convention for the régime of foreigners to take up the question of judicial safeguards. The convention should be ready early next week. The failure of the French and Italians to get definite instructions from their Governments is responsible for the delay in settling part of article 3 and articles 16, 20, 25 and 27.

No. 272.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (Received May 21.)

(No. 83.) [By Bag.]
(Telegraphic.) *Lausanne, May 19, 1923.*

MY despatch No. 56 of 18th May.

French delegation to-day raised question of article 35 of the treaty and asked that the present draft should be completed by the addition of the words "sous condition de se conformer à la loi nationale." Object of this addition is to provide that French Jews in Palestine may not acquire Palestinian nationality until they have performed their military service obligations in France.

The Colonial Office originally asked, as they will remember, for the insertion of article 35 in the treaty in order to give a certain political support to Sir H. Samuel for the special treatment in the matter of the acquisition of Palestinian nationality which he proposed to accord to foreign Jews in Palestine. To judge from Colonial Office letter enclosed in Foreign Office despatch No. 46 of 16th May, Sir H. Samuel now wishes to insert an article which does not specifically refer to Jews at all.

In these circumstances, since the whole nationality section of the treaty has been agreed with the Turks and is technically not therefore open to re-discussion with them now, and since the French delegation object to article 35 in its present form, I propose, with the consent of the Colonial Office, to omit the whole article from the treaty.

Please reply as soon as possible.

No. 273.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (Received May 20.)

(No. 84.)
(Telegraphic.) R. *Lausanne, May 19, 1923.*

I AM sending by bag to-night text of a telegram from Chicherin to secretariat of conference dated 16th May. In this telegram Chicherin says he considers that inviting Powers are partly responsible for the fact that Swiss authorities did not take measures indispensable to prevent Vorowsky's murder. Chicherin states that summoning of international conference by certain inviting Powers signifies that these Powers undertook to see that all measures should be taken to render possible sojourn

in the country where conference is held of persons participating in conference. He advances the strange doctrine that inviting Powers ought to have controlled adoption by Swiss Government of measures necessary to ensure safety of delegates, and he then states that last reports from Vorowsky proved without doubt that Swiss Government did not take the slightest precautions to protect that personage.

Chicherin then states that, in inviting Russia to the conference in connection with the question of the Straits, this invitation holds good for the whole duration of conference and is unrestricted.

My colleagues and I discussed this telegram this morning and decided that no answer seemed called for as far as we were concerned.

No. 274.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 20.)

(No. 85. Confidential.)
(Telegraphic.) *Lausanne, May 20, 1923.*

MY telegram No. 74.

Before speaking to Ismet with regard to cession of Karagatch in return for a withdrawal by Turkey of her demand for an indemnity from Greece, General Pellé, who had in previous interview with Ismet tried to persuade him to accept one or other of the solutions proposed in London, consulted me as to how he should put new suggestion. I said in my opinion he ought not to identify Allies too closely with proposal, but that he should put suggestion to Ismet in form of an enquiry.

General Pellé tells me that he broached the subject with Ismet this morning and derived impression that latter was gratified by proposal, which he promised to telegraph at once to Angora. Ismet, however, at once asked General Pellé whether Allies had dropped their demand for reparations from Turkey, to which Pellé replied that he saw no connection between questions of reparations for Allies and Græco-Turkish reparation.

In Turkish eyes, of course, two questions are connected, and our case for urging Turks to drop demand for reparations from Greece is considered stronger if we ourselves waive reparations from Turkey. The fact that French and Italian Governments have not yet definitely agreed to drop question of reparations from Turkey becomes increasingly awkward and unfortunate

I rather gather from General Pellé's description of what he said to Ismet with reference to Karagatch that he did after all put it forward as an Allied proposal, which is, I think, regrettable.

(Repeated to Athens and Constantinople.)

No. 275.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 20.)

(No. 86.)
(Telegraphic.) *Lausanne, May 19, 1923.*

YOUR despatch No. 48 and my telegram No. 76.

I earnestly trust that it may be possible for you to send me further instructions in regard to Turkish reparation during the course of Monday. If His Majesty's Government decide to accept in principle proposal that 2,000,000*l.* in London should be allocated to Great Britain and 3,000,000*l.* in Paris to France, sum allocated to Italy and possibly other Powers being met jointly by ourselves and France, I propose, subject to your approval, to inform General Pellé and Signor Montagna at once of this decision, and to ask them to obtain by telephone from their Governments instructions which will enable them to agree finally to drop reparation claim against Turkey, on the understanding that details as to share of Italy will be settled here subsequently. I see no means of postponing a discussion about reparation any longer.

No. 276.

The Marquess of Crewe to the Marquess Curzon of Kedleston.—(Received May 21.)

(No. 516.) [By Bag.]
(Telegraphic.) *Paris, May 19, 1923.*

COMMENTING on article in "Daily Telegraph" from its Lausanne correspondent, in which fear is expressed that Turks will have to be taught further lesson before they become tractable, M. Herbette in the "Temps" deplores possibility of war between Greece and Turkey. While paying tribute to correctness of outward attitude in this matter of His Majesty's Government and British delegation at Lausanne, M. Herbette points out that such a conflict would involve evacuation of Constantinople by Allied forces. In view of growing importance to Great Britain of Mediterranean and recent decision to increase permanently strength of British squadrons maintained there, M. Herbette insinuates that Great Britain might be seriously tempted, while withdrawing from Constantinople, to remain permanently at Gallipoli.

Copy of article by despatch.

No. 277.

Sir H. Rumbold (No. 28) to Mr. Henderson.—(Repeated to Foreign Office; Received May 21.)

(No. 88.)
(Telegraphic.) *Lausanne, May 20, 1923.*

M VENISELOS has just called, in a state of considerable excitement, to read to me the substance of a telegram from his Government repeating telegram from Greek consul at Constantinople to the effect that on 9th May two Turkish ships, the "Reshid" and "Akdeniz," conveyed 7,000 Turkish troops from Panderma to a point on northern shore of Sea of Marmora, near Gallipoli Peninsula. These troops are stated to have come from Balikesser. M. Veniselos said that if above information was correct a very serious situation would arise, as Greeks could not tolerate such a flagrant breach of Mudania armistice and would have to summon Turkish Government to withdraw these troops

I said we had not received any information about this alleged transportation of troops, and I pointed out that if it had taken place on 9th May our Intelligence Service would certainly have heard of it before now. I asked M. Veniselos to be on his guard against alarmist reports from Greek agents at Constantinople, who were prone to exaggerate.

Can General Harington throw any light on report?

No. 278.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 21.)

(No. 187.)
Telegraphic.) *Athens, May 21, 1923.*

MY telegram No. 185.

I learn that chief railway transport officer left on Friday for Thrace. My informants, unofficial Greeks who do not favour war, attach importance to this.

I am told, and am inclined to credit, that idea in military circles is, in the event of hostilities, to advance on Chatalja. Turks are not expected to put up a fight before Chatalja. On reaching Chatalja, Greeks would claim great victory and then again approach Allies before continuing advance. If Turks resist at Chatalja Greeks would attack, but would ask consent of Allies before entering Constantinople

(Repeated to Lausanne and Constantinople.)

No. 279.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 21.)

(No. 188.)
(Telegraphic.) *Athens, May 21, 1923.*

IN my humble opinion, viewing situation from this end, in waiving reparations [? to] Allies may lie only hope of getting Turks to drop demand for [? reparations] from Greece. I do not know whether anyone really hopes to extract reparations from Turkey, nor am I in a position to judge how far French and Italians are sincerely desirous of preventing resumption of hostilities But, if they are sincere, might not pressure be brought to bear to persuade them to agree to waive demand for reparations, for every day's delay makes situation here more critical and difficult to control?

I may mention that head of French Military Mission, who was to have left on 15th May, is still here (see paragraph 3 of my despatch No 269).

(Repeated to Lausanne, No 57, and Constantinople, No. 85.)

No. 280.

Mr. Henderson (No. 114) to Sir H. Rumbold.—(Repeated to Foreign Office; Received May 21.)

(No. 363.)
(Telegraphic.) R. *Constantinople, May 21, 1923.*

YOUR telegram No. 88 to Foreign Office.

"Reshid Pasha" sailed from Constantinople on 8th May for Gulf of Ismid, returning on 10th May with 2,700 soldiers on leave for Black Sea ports. She is still in Black Sea. "Akdeniz" was in Black Sea or Constantinople until 16th May, when she sailed for Panderma, returning on 19th May with 2,000 men for Black Sea ports.

A number of Turkish soldiers have been recently embarked in ports of Sea of Marmora for transport to their homes on demobilisation, "electoral leave," &c.

[E 5151/4546/44] No. 281.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 22.)

(No 287.)
My Lord, *Constantinople, May 14, 1923.*

I HAVE the honour to transmit to your Lordship copy of a joint note which was handed yesterday to the Turkish representative here by the three Allied dragomans protesting against the action of the Turkish authorities in closing down the Bank of Athens on the 5th instant.

2. I endeavoured to persuade my colleagues to insert in the joint note some reserve as to possible action in event of any further acts which the Allied Governments might consider to be prejudicial to the existing situation here or to the negotiations at Lausanne. They were, however, unwilling to use any expression capable of being construed as a menace, which, for their part, would be never likely to be executed so long as no direct Allied interests were involved. My Italian colleague, at any rate, while loudly protesting his irrevocable determination to use every Italian gendarme and soldier here—not a very formidable threat—in defence of Italian interests, made it quite clear that not even that insignificant reinforcement would be available on behalf of a Greek institution.

3. Stress was laid on this point of view in the original draft joint note which was drawn up at the French High Commission with the approval of M. Maissa and submitted to me. I objected, however, strongly to any direct allusion to the fact that the Allies had abstained from active intervention solely on account of the Greek character of the Bank of Athens, inasmuch as such an admission would have merely encouraged the Turks to further arbitrary acts against other Greek institutions.

4. The objectionable passages in this respect were accordingly removed, but, on the other hand, my French colleague insisted on the inclusion, in accordance with his

instructions, of a demand for the maintenance of the exact present state of affairs until the conclusion of peace. In effect, this means that the seals shall remain unbroken, and that no one shall be allowed to withdraw even their current accounts. This appears to be unpractical as well as irrealisable. I appreciate the danger, once the seals are removed, of the Turks seizing the property of Greeks and Armenians. Such, I fear, is undoubtedly their ultimate intention. The Turkish procedure at Smyrna is an infallible precedent. Nor, in my opinion, will any action here, short of actual force, do more than possibly delay its execution. The Turkish authorities here in this regard have little option in the matter. Apart from the fact that the seizure of Greek property is sanctioned by the abandoned property law, they have not sufficient influence to modify the fixed determination of the Government at Angora. That Government is set upon compensating itself for its probable failure to obtain a war indemnity from Greece by seizing all the Greek money upon which it can lay its hands in this country. Moral and diplomatic resistance to that set purpose, which is dictated to a great extent by considerations of internal policy and electioneering propaganda, is not likely to be in any way effective. A commission is, in fact, already on its way from Angora with the avowed object of liquidating the outstanding accounts of the Bank of Athens. The Turks will urge that this measure is necessary in the interests of individuals, including foreigners, such as a British artillery brigade which has some £T. 3,000 on deposit in the bank. It seems to me that we shall not be on good ground or likely to be successful in any protest against a measure which, whatever its ulterior motive, is at least plausible.

I have, &c.
NEVILLE HENDERSON,
Acting High Commissioner.

Enclosure in No. 281.

Allied Note to Adnan Bey.

LES Hauts-Commissaires de France, de Grande-Bretagne et d'Italie ont l'honneur de porter à la connaissance de son Excellence le représentant du Ministère des Affaires étrangères de la grande Assemblée nationale de Turquie qu'ils ont informé leurs Gouvernements que le 5 de ce mois les autorités turques sans avertissement aucun ont fait fermer les trois agences que la Banque d'Athènes possède à Constantinople.

Les trois Hauts-Commissaires soussignés ont reçu pour instructions de protester formellement contre cette mesure arbitraire qui offre un caractère de gravité exceptionnelle dans les circonstances actuelles. Ils ont donc reçu également l'ordre de réclamer du Gouvernement de la grande Assemblée nationale de Turquie, sous la forme la plus précise, l'assurance que les choses resteront en l'état et que sous réserve que les Hauts-Commissaires alliés envisagent d'autres dispositions, il ne sera procédé à aucune espèce de perquisition opération de saisie ou de confiscation dans les locaux de la banque.

Ils comptent d'autant plus être mis à même de transmettre ces assurances à leurs Gouvernements que son Excellence le Dr. Adnan Bey a spontanément déclaré qu'aucune saisie à la Banque d'Athènes n'aurait lieu et que les mesures prises à l'égard de cet établissment ne seraient jamais étendues aux autres banques établies à Constantinople.

Les Hauts-Commissaires alliés croient de leur devoir d'ajouter que la fermeture de la Banque d'Athènes a causé aux Gouvernements alliés l'impression la plus fâcheuses. Elle est en effet de nature à ajouter de sérieuses difficultés aux négociations qui ont actuellement lieu à Lausanne en vue d'aboutir à une paix qui est également désirée par le Gouvernement turc et les Gouvernements alliés.

A ce point de vue, les Hauts-Commissaires ont appris avec regret que les autorités turques faisaient procéder à l'effraction des coffres-forts de la succursale que possède à Smyrne la Banque d'Athènes Ils veulent espérer que des instructions seront envoyées d'urgence aux fonctionnaires locaux leur prescrivant de s'abstenir d'une opération inadmissible.

Constantinople, le 13 mai 1923.

JESSÉ CURELY.
N. HENDERSON.
MAISSA.

[E 5156/6/44] No. 282.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 22.)

(No. 293.)

My Lord, *Constantinople, May 15, 1923.*

THE recent Turkish concentrations on the Syrian frontier appear to have caused the French authorities here to take stock of their situation at Constantinople, in the event of a sudden outbreak of hostilities with Turkey.

2. In the course of their appreciation they seem to have come to the conclusion, somewhat tardily, I fear, that there is and has been a considerable clandestine transport of arms and ammunition, to which, now that the risks to themselves have been brought home to them, it is desirable to put a stop.

3. They have also apparently begun to realise that the Turkish military organisations in Constantinople constitute a menace of increasing importance in so far as the safety of their troops as well as our own is concerned.

4. The French admiral has recently requested Rear-Admiral Chatfield to assist him in the suppression of gun and ammunition running in Turkish caiques, while my French colleague has spoken to me with no little concern of the "20,000 armed Turkish soldiers in Constantinople," in which estimate he told me that General Charpy concurred, ready to rise and massacre the Allies here in the event of a sudden outbreak of hostilities.

5. It is, I fear, somewhat late in the day to devise united measures to prevent the smuggling of arms and ammunition, which, as your Lordship is aware, has been going on practically unchecked, and largely connived at, if not encouraged, by our French and Italian Allies during the past two years, except for such vigilance as it has been possible for the British authorities to exercise, without too undesirably and openly compromising our Allies, or the security of our sources of information.

6. As regards the "20,000 armed Turkish soldiery in Constantinople," whilst there are good grounds for believing that not more than half of this number are actually rationed and permanently under arms, I understand that General Harington, to whom I have communicated my French colleague's estimate, is of opinion that these figures do, in fact, very approximately represent the number of Turks armed and organised in some form or other in and around Constantinople, with which it would be necessary to reckon in the event of the outbreak of war.

7. There appears indeed to be nothing new in my French colleague's appreciation of the situation, except the fact that the French themselves are no longer finding it desirable to shut their eyes to what has been going on under their noses for months past.

8. The smuggling of arms and ammunition from Constantinople to the Turkish forces, and the difficulties of all sorts which he has been faced with, in endeavouring to put a stop to it, have long since been made known to His Majesty's Government by Sir Charles Harington through the War Office.

9. It is, in fact, not so much the situation in Constantinople in itself, and by itself, which at the present time is, and must necessarily be, a source of considerable apprehension to those responsible for the security of the Allied forces here, that calls for special comment, but rather the bearing of that situation on the general problem with which the military authorities would be faced, in the regrettable event of a breakdown of the peace negotiations and the resumption of hostilities between Greece and Turkey.

10. I attach in this connection for your Lordship's information an appreciation of the military situation as viewed by Sir Charles Harington and concurred in by his Allied military colleagues, a copy of which has, of course, been forwarded to the War Office by General Harington himself.

11. While I fully share the General Officer Commanding-in-chief's hopes that a resumption of hostilities may never occur, I am equally at one with him in thinking that it is a contingency which it would be unwise to disregard, and one for which, from a military point of view, it is impossible to delay provision until the eleventh hour.

(Copy to Lausanne.)

I have, &c.

NEVILE HENDERSON,

Acting High Commissioner

Enclosure in No. 282.

Appreciation by the Allied Generals on the Military Situation likely to arise in the event of the Greek Troops crossing the Maritza.

(Secret.)

RECENT information, based on troop movements and speeches, shows that one cannot afford to neglect the possibility of a Greek advance across the Maritza. With the objects or results of such advance we are not concerned. The facts which concern us are:—

(*a.*) A Greek army, some 100,000 strong, in Western Thrace ready to advance.
(*b.*) A Turkish force of some 25,000–30,000 men in Eastern Thrace.
(*c.*) Turkish organisations in Constantinople.
(*d.*) Turkish forces in Anatolia, Ismid, Chanak fronts.
(*e.*) Allied forces, Constantinople area, including Ismid and Chanak.

It will be remembered that, in July 1922 the Greeks made a threat on Constantinople and advanced almost up to the Chatalja Lines, which were then held by Allied troops in accordance with the proclamation issued by the Allied High Commissioners in June 1921. Our course was then perfectly clear. We had a neutral boundary to defend, and we were trustees and in effective occupation of Constantinople. It was our duty to hold it, and, in fact, the Turks offered us 20,000 men to help us in case of need.

Now, things have changed completely. The neutral boundary, as laid down by the Allied High Commissioners in June 1921 no longer exists, either at Chanak or Ismid; it was modified considerably by the Mudania Convention. The Turks have occupied Eastern Thrace as a buffer to Constantinople; the Kemalist Government has come into power; we have been constantly informed that they have taken over the responsibility for Constantinople, and that they only recognise the "presence" of the Allied troops up to the ratification of peace, but without any power. They cannot, therefore, expect us to defend Constantinople again for them. They certainly would not put their troops under us, and, naturally, we should not put our troops under Turkish command.

Even if we wished to, we have not now sufficient Allied troops to defend the Chatalja Lines against the Greek army and to maintain law and order in Constantinople.

If the Greek army advances, the Turks would naturally order large reinforcements from Anatolia, and would build up an army in Europe as soon as possible. There would be no time for any diplomatic procedure. It is presumed the Turkish High Command—

(*a.*) Would concentrate Rafet Pasha's present forces in Eastern Thrace on the Chorlu Line, which has been prepared.
(*b.*) Would reinforce at once 15,000–20,000 from the secret organisations in Constantinople.
(*c.*) Would demand to send troops into Scutari to cross to Thrace, without fighting.
(*d.*) Would send reinforcements from Panderma and Mudania across the Marmora.
(*e.*) Would demand to march on Chanak and the Asiatic shore of the Dardanelles without fighting in order to stop the Greek fleet from entering the Straits.

It is quite clear we have not the Allied means of preventing this, and it must be remembered that all measures on the Asiatic shore are wholly British, as French and Italian troops may not be sent to that shore by order of their respective Governments.

It is also quite clear that any Greek advance on Constantinople would make the position of the Christian population extremely dangerous.

The Allied generals, therefore, feel bound to ask for instructions from their Governments. We all view the picture in the same light and trust that the contingency may not arise.

The questions which arise are:—

(*a.*) If the Greek army advances, are we under any obligation to stop it by force for the Turks?
(*b.*) Are we called upon to stop the Turks by force from sending any reinforcements they wish to send to Eastern Thrace, or from taking any measures they wish for the defence of Constantinople?

If we maintain a passive attitude in Constantinople our position would become impossible. We should then have to comply with any Turkish orders for the control of Constantinople, which we could not do. Both our own position, and that of our nationals and the Christian population, would be impossible.

On the other hand, we fail to see that we are called upon to lose lives in stopping the Greeks in order to help the Turks, with whom we are still technically at war. We have not the forces adequate to deal with either, but unless we receive very clear instructions we feel there is every chance of getting embroiled with both.

The Allied "buffer" troops on the Maritza would be withdrawn on the advance of the Greeks. Their rôle is to intercede and prevent incidents; they have no power of defence against an organised advance, which would, of itself, annul the Mudania Convention.

After a careful study of the above considerations the Allied generals are unanimously of the opinion that, in the event of a serious Greek advance across the Maritza, it would become necessary to withdraw the Allied forces to the Dardanelles area, in order to maintain our hold on this very important area and to avoid becoming embroiled in Constantinople. This withdrawal cannot be carried out immediately owing to the necessity of first evacuating nationals of the Allied Powers and owing to the lack of shipping.

Apart from the evacuation of the nationals of the Allied Powers, the following periods of time would be required for the evacuation of the Allied forces:

1. For the evacuation of the British force, five to seven days.
2. The evacuation of the Italian force could be carried out in the same time.
3. In the case of the French corps of occupation, however, owing to the fact that the whole of their reserve stores and supplies are in the Constantinople area, ten days to a fortnight would be required for the completion of the move to the Dardanelles area.

They, therefore, recommend the following course of action:—

If the Greeks advance, and the Turks demand the right to send reinforcements from Anatolia into Thrace, they will be informed that the Allies will grant them freedom of passage by the Black Sea, Upper Bosphorus and the Sea of Marmora, provided they respect the neutrality of a restricted area to be settled between the Allied generals and the Turkish authorities. This area will not be entered by Turkish troops, and in it the nationals and Christian population requiring protection and means of evacuation will be collected pending embarkation. The Allied forces of occupation will take all the necessary dispositions to ensure the protection of their nationals and of the Christian population in this area. After their evacuation, the Allied forces of occupation will embark for the Dardanelles area.

As regards the Dardanelles, freedom of passage from Asia into Europe should not be granted to the Turks in view of the paramount importance of keeping the Dardanelles free and under Allied control, as they form the sole line of communication for the Allied troops and for the evacuation of their nationals. Further, in order that the Dardanelles should not become the scene of operations between the Turks and Greeks, it is a military necessity to the Allies that the Greek fleet should be refused passage through that area.

Constantinople, May 15, 1923.

[E 5158/17/44] No. 283.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 22.)

(No. 295.)

My Lord, *Constantinople, May* 16, 1923.

IN my telegram No. 99 of the 13th instant addressed to Sir Horace Rumbold and repeated to your Lordship, I had the honour to report the sensation caused by the publication in the Turkish press on the previous day of telegrams from correspondents at Lausanne to the effect that General Pellé had notified the Turkish delegation there of the existence of an Armenian plot against the life of Ismet Pasha.

2. The unanimity with which the report was taken up by the press, without any effort being made to establish its veracity, seemed to show that the plot was merely one more hare set going by the Turkish Press Bureau at Lausanne. That such was the case has since been proved by the issue, on the 14th instant, of a communiqué by the French High Commissioner stating that there was no truth in the report. This *démenti* was however, issued too late to be effective, and in the interval the press had not been slow to make the most of its opportunity. Ismet Pasha became the national idol of the moment, "the apple of his country's eye," and one "whose life is more precious to his country than any peace which can come from Lausanne." Some newspapers, in fact, went so far as to demand that he should be immediately recalled and replaced by a delegate of lesser degree.

3. The opportunity of this false report has been seized to urge the necessity for an early conclusion of the peace of which the Turkish Government is increasingly in need. This has been the moral pointed by the press in commenting not only thereon, but also on the news of the assassination of M. Vorowsky, which had, of itself, created a certain nervousness in Turkish circles. Attacks were once again made on the Allies for deciding to hold the conference at Lausanne, where adequate measures could not be taken for the protection of lives of the delegates. The Government was asked to take steps to secure the termination of the negotiations before any more deeds of violence were done, it being added that, if the life of Ismet Pasha should, in fact, be attempted, the immediate result would be the withdrawal of the Turkish delegation from Lausanne and the breakdown of the conference.

4. It seems also possible that this move on the part of the Turks is not unconnected with their attitude regarding the negotiations to be held at Angora with the representatives of foreign companies, which have been postponed until after Bairam. It is expected that some time must elapse before these negotiations can be brought to a satisfactory conclusion, so that, if the manœuvre to hasten matters at Lausanne meets with success, the Turkish delegation will be on stronger ground for asking that the question of these negotiations should be excluded from the draft treaty and left for subsequent arrangement as desired by the Turks.

5. The alleged plot has further given the local press one more opportunity to attack the Christian and, more particularly, the Armenian element in Turkey, and to show how difficult, if not impossible, it will be to realise a Turco-Armenian *rapprochement*. As usual, the present leaders of the Armenian community in Constantinople lost no time in protesting their loyalty and devotion to the Turkish Government, while the President of the Lay Council of the Armenian Patriarchate took the occasion to state in an interview that the news was doubtless spread by the Allies as they had decided to make some unacceptable proposals to the Turks, adding that the Armenians had lately been enabled to see things in their true perspective and had irrevocably decided to cultivate relations of sincere friendship with the Turks. Utterances of this nature, which tend to diminish the feelings of sympathy felt by foreigners for the Armenian cause, are not, in my opinion, calculated to improve the future lot of Armenians in Turkey.

I have, &c.

NEVILE HENDERSON.

Acting High Commissioner.

E 5134/1/44] No. 284

Déclaration faite par Sir Horace Rumbold à la Séance du Premier Comité, le 19 *Mai* 1923.—*(Communicated by British Delegation, Lausanne (No.* 68); *Received at Foreign Office, May* 22.)

JE crois savoir qu'en proposant de qualifier la disposition en faveur des anciens habitants de la Turquie par le membre de phrase "auxquels l'accès des territoires respectifs ne se trouve pas interdit," les juristes entendaient sauvegarder le droit de chacun des deux Gouvernements d'empêcher le retour dans son territoire des personnes rentrant dans la catégorie des populations à échanger en vertu de la convention pour l'échange des populations. Ce droit est incontestable; mais il me paraît que le membre de phrase en question est susceptible d'une interprétation beaucoup plus large. Il mettrait chacun des deux Gouvernements à même d'interdire le retour de n'importe quelle personne ayant quitté son territoire pour n'importe quel motif. Ceci serait, pour les personnes non comprises dans l'échange des populations, par exemple pour les Grecs qui ont quitté Constantinople et pour les nombreux Arméniens dispersés un peu

partout, contraire à l'esprit sinon à la lettre autant de la déclaration sur l'amnistie elle-même que des clauses sur les minorités. Quelle punition plus grave pour une personne ayant quitté la Turquie dans les circonstances que nous connaissons tous que de se voir exiler à perpétuité! Quelle atteinte plus sérieuse aux droits des minorités que celle qui y serait portée si une personne, provisoirement absente de la Turquie ou de la Grèce pour des raisons politiques, mais ayant toujours des attaches avec son pays d'origine par ses parents, par ses occupations, par sa propriété, ne pourrait plus y revenir! Quelle différence resterait entre les personnes se trouvant dans cette situation et les 150 personnes que la Turquie se réserve expressément le droit de bannir à tout jamais de leur patrie!

Malheureusement, la question que je soulève n'est pas de pure théorie; elle est de grande actualité. Il me revient de plusieurs sources que les autorités turques interdisent déjà le retour soit des Grecs de Constantinople, soit des Arméniens, qui ont quitté dernièrement leurs foyers. Par surcroit, ces autorités considèrent comme biens abandonnés tout ce que ces malheureux ont pu laisser derrière eux. Ils sont privés de leurs biens à cause de leur absence par les mêmes autorités qui empêchent leur retour.

On me dit que le motif de cette interdiction, c'est que ces gens ont quitté la Turquie sans se munir de passeports turcs. Il est vrai qu'un grand nombre en sont partis ou sans passeports ou avec des papiers de voyage donnés par des autorités autres que les autorités turques. Si c'était une faute—et moi je ne saurais la considérer comme une, car je connais trop bien les circonstances—si c'était une faute, au point de vue turc, c'était bien une faute politique. Empêcher le retour de ces personnes, c'est une injustice envers elles, injustice aggravée par la mainmise sur leurs biens. C'est également une injustice envers les pays où elles ont trouvé provisoirement un asile, parce qu'aucun pays n'a le droit de laisser ses ressortissants à la charge d'un autre pays indéfiniment.

Je pose donc ces questions à son Excellence Ismet Pacha: Est-il vrai que la Turquie ne laisse pas rentrer dans son territoire des personnes appartenant aux minorités et ne rentrant pas dans l'échange des populations? Est-il vrai que les autorités turques comptent liquider leurs propriétés sans leur consentement et dans des conditions telles qu'il leur est impossible de sauvegarder d'aucune façon leurs droits? Je le prie de répondre à ces deux questions en se rappelant que le monde entier jugera la Turquie par ses réponses. Je le prie de ne pas nous dire que le Gouvernement turc compte expatrier un grand nombre de ses ressortissants à lui pour une simple question de passeports. Si c'est là la seule difficulté, il ne faut que la bonne volonté pour en trouver une solution.

No. 285.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 22.)

(No. 190.)
(Telegraphic.) R. *Athens, May 21, 1923.*

MY telegram No. 183.

My French colleague yesterday received his instructions.

(Repeated to Lausanne and Constantinople.)

No. 286.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 22.)

(No. 90.)
(Telegraphic.) D. *Lausanne, May 22, 1923.*

YOUR telegram No. 29.

I arranged meeting with my French and Italian colleagues last night in order to discuss situation as explained in your telegram. I said that it would be impossible to delay discussion of question on Allied reparations in Second Committee much longer, as Greeks would properly insist on discussing article 58 of Greco-Turkish reparation the moment Ismet has reply to his telegram, and this would involve discussion of article 57 of Allied reparation. If my French and Italian colleagues, acting on their present instructions, revived reparation claim I should be bound to

remain silent, and Turks would know that Allied unity of front had been broken. My colleagues agreed that it was essential to avoid this, and promised at once to telegraph to their Governments for instructions. I said that I hoped that would make real question at issue clear. Everyone agreed that there is now no chance of obtaining reparation from Turks, and only question is whether my French and Italian colleagues shall put forward, without my support, a demand which they will ultimately have to drop again. I also trusted that there would not be a moment's avoidable delay. I urged that the immediate need is to decide on our attitude [? omitted: towards] Turks, and that inter-Allied arrangements of dividing 5,000,000*l.* should be left to be settled later. It is, however, possible that French and Italian Governments will now put forward suggestion that we should contribute to reparation pool Turkish Treasury bills for £46,000*l.* which Treasury bought from construction groups in 1914 when ships were requisitioned, as these bills were delivered to construction group in lieu of cash, and as Treasury bills are available without a vote, it seems not unreasonable to ask us to carry out to this extent arrangement originally contemplated in February for contributing ship money to reparation pool. These Treasury bills are included in table of Ottoman public debt to be distributed, but it seems doubtful if Turks will pay their share (80 per cent.), at any rate, as long as bills are held by us, since we took ships without payment. Our allies are aware of doubtful value of this asset, but may suggest it as better than nothing.

Waley asks that, to save delay, Treasury may be informed that his personal view is that above proposal should be accepted if it will put an end to present deadlock, which is hanging up whole work of conference, but that he has in no way committed Treasury to agree to it.

No. 287.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 22.)

(No. 91. Confidential.)
(Telegraphic.) *Lausanne, May 22, 1923.*

SERBIAN Minister at Berne, who represents Serbia at Lausanne Conference, informs me that he had returned to Berne yesterday, when Ismet sent him three separate and urgent messages asking him to return to Lausanne at once. An interview took place between them last night, at which Ismet began by talking about Greco-Turkish reparations. Serbian Minister said that Turkey could not hope to get any money from Greece, and that Allies had waived their demands for reparations from Turkey. Ismet had better, therefore, drop demand for an indemnity from Greece. Ismet hinted at possibility of some arrangement to take place of cash. He then came to his main purpose in seeking an interview, which was to ask whether Serbian Minister could reassure Turkish Government as to attitude of Serbia in the event of resumption of hostilities between Turkey and Greece. Serbian Minister inferred that Ismet was acting on instructions.

Ismet protested pacific intentions of his country, but added that hostilities might break out owing to attitude of Greeks. Serbian Minister, in reply to a demand as to whether Serbia would remain neutral in the event of hostilities, stated that he could not give any such assurance, and that he did not know what his Government would do in the circumstances. Once a war was started in the Balkans, Serbs might be drawn into conflict. He strongly advised Ismet not to risk any further adventures in which Turkey stood to lose [? a great deal] [? of her] [? territory]. Moreover, Turkey's strategical position in Europe was bad. Ismet replied that Turks had a little passage out of which they could pass troops into Europe. Serbian Minister assumed that this meant the Bosphorus. Serbian Minister assures me that he did his best to disillusion Ismet, and thinks that he produced a considerable impression on the latter.

Serbian Minister says that in a previous conversation which he had with Ismet on 17th May on the subject of Turco-Greek reparations the latter was much more intractable. Serbian Minister added unofficially that Bulgarian delegate here, Todorof, is seeing a good deal of Ismet, and, he fears, is encouraging him to hope for assistance from Bulgarian bands in the event of a renewal of war between Turkey and Greece.

(Repeated to Constantinople, Athens, Belgrade and Sofia.)

E 5203/1/44] No 288.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(*Received May* 23.)

(No. 599.)

My Lord, *Washington, May* 10, 1923.

WITH reference to your despatch No. 616 of the 23rd ultimo I have the honour to transmit to your Lordship herewith copies of a minute by Mr. R. L. Craigie, First Secretary of His Majesty's Embassy, regarding a conversation which he had yesterday with the Chief of the Division of Near Eastern Affairs of the State Department in regard to the attitude of the United States representatives at Lausanne to the economic and financial clauses of the draft treaty of peace with Turkey.

I have, &c.

A. C. GEDDES

Enclosure in No. 288.

Memorandum by Mr. Craigie.

I HAD a long conversation to-day with Mr. Dulles, Chief of the Division of Near Eastern Affairs of the State Department, with reference to Foreign Office despatch No. 616 in regard to the attitude of the United States representatives at Lausanne to the economic and financial clauses of the draft treaty of peace with Turkey. We took in turn each section of the State Department memorandum of the 31st March last, and I read to him such portions of the Foreign Office despatch as appeared suitable for verbatim communication and informed him in more general terms of the Foreign Office view in regard to the remaining points. It was understood that the conversation was to be regarded as purely private and informal.

Taking in turn each point raised in the State Department's memorandum, the conversation may be summarised as follows:—

1. *Adequate Opportunity for Discussion of Certain Provisions.*

On this point Mr. Dulles made it clear that the point which the State Department wished to make was not so much that the American delegation itself had not received adequate opportunity for considering these clauses, but that certain of the clauses had been introduced at such a late date that it had not been possible either for the conference as a whole or the sub-committees to give them proper consideration. Now that the conference had been resumed this point was, Mr. Dulles considered, no longer of the slightest importance and we agreed that nothing was to be gained by discussing it further. I made it clear, however, that ample time had, in our opinion, been given to the American delegation to examine the various clauses concerned.

I then stated that misunderstandings were almost certain to arise when one delegation in a conference appeared, technically, as observers instead of as participators in the discussions. In pursuance of the rôle assigned to them it had apparently been the practice of the American delegates to make oral or written declarations regarding any points under discussion without giving the committees any opportunity to reason upon or cross-examine these declarations. At the same time, the United States Government were taking no responsibility for the guidance of the negotiations or their results. Mr. Dulles showed considerable surprise at these remarks, maintaining that the American delegates had full authority to discuss any point on which they had made a declaration and to answer any questions with regard to such declarations. Misunderstandings might perhaps have arisen from the fact that on certain questions, such as those relating to boundaries and the ethnographical divisions between States, the American Government had desired to keep entirely free from any participation in the proceedings. On other questions, such as the capitulations, the American Government were vitally interested and it had throughout been their desire to adopt an attitude which would be as helpful as possible to the Allies in the prosecution of these delicate negotiations.

Speaking privately and entirely unofficially, I here took the opportunity to point out that, as regards certain of the delegates, such as Admiral Bristol and Mr. Gillespie, the general impression left on the minds of many delegates was that their intentions towards the Allies had been the reverse of benevolent, and that their activities had been far from helpful. I thought it desirable that he should realise

the impression which had been created by the activities of these gentlemen, seeing that I could not but believe that the intention of the American Government was to be helpful all along the line, and, in particular, to abstain from giving any encouragement to the Turks. Mr. Dulles appeared interested in what I had to say on this point, and after denying that there could possibly be any solid foundation for the impression to which I had referred, stated that in any case the reports received in regard to the negotiations now proceeding at Lausanne showed that the American delegation were now working most harmoniously with the Allied delegations and that good progress was being made. He enquired whether this sentiment in regard to the attitude of the American delegation could be responsible for the difficulties which had at one time been made in regard to American participation in the conference when its proceedings were resumed. I replied that I had been away and had no knowledge of any such difficulties having been raised.

2. *Articles* 94 *and* 96 *of the Draft Terms of Peace. Confirmation of Conventions or Contracts relating to Concessions Granted before the War.*

I proceeded to explain the position in regard to the Perier loan concession, as to which Mr. Dulles did not appear to have much information, and pointed out that it was inconceivable that the United States Government should countenance any action which would tend to prevent one ally, after a victorious war, from providing in the treaty that enemy State should make a just measure of reparation to the citizens of that ally. Mr. Dulles at once said that they had no intention whatever of making difficulties with regard to any concession which was recognised as valid and had been granted in accordance with Ottoman law. Doubtless the Perier loan concession came within such a category, but the American Government did not at all like the presence in the clause of the words "notwithstanding the non-fulfilment by Turkey of all the conditions requisite for their final confirmation." Paragraph 2 of article 94, taken in conjunction with article 96, might for instance be held to validate the Turkish Petroleum Company's concession, which, as I knew, was considered by the American Government not only to be monopolistic in character, but never to have reached the stage of a valid concession.

I proceeded to speak in the sense of paragraph 6 of Lord Curzon's despatch and laid stress on the fact that the State Department had never mentioned any rival firm whose rights they were presumably supporting against those of the Turkish Petroleum Company nor quoted the grounds on which that firm, if it existed, based its claim. On this latter point Mr. Dulles pointed out there was clearly a misunderstanding of the American attitude. The United States Government were not championing the claims of any rival company as against those of the Turkish Petroleum Company. Their case was that at the time of Turkey's entry into the world war the Turkish Petroleum Company's concession had not been finally and validly granted and that consequently the door should now be left fully open to all companies or individuals, including of course the Turkish Petroleum Company, to bid for concessions in territory covered by the Turkish Petroleum Company's claim. I explained in general terms the grounds on which we held the Turkish Petroleum Company's concession to be perfectly valid, but deprecated an exhaustive discussion on this point at the present moment.

I desired, however, to draw Mr. Dulles's attention to the fact that negotiations were in progress under which the American and other oil interests would, it was hoped, receive a due share in the exploitation of this concession so that *ipso facto* the concession ceased to be monopolistic, even if it ever could have been so regarded. Mr. Dulles admitted that a settlement might be reached on these lines and stated that the various oil interests concerned were at present negotiating at Constantinople with, he hoped, some prospect of success. It was his understanding that further consideration of articles 94 and 96 had been deferred by the Lausanne Conference pending the conclusion of these private negotiations. Should they prove successful, Mr. Dulles had no doubt that it would not be difficult to prepare a draft of article 94 which would satisfy all parties. Before leaving this question Mr. Dulles observed that, in his private opinion—which must not necessarily be taken as the opinion of the Department—the Chester Concession of 1911 had progressed to about the same point when the Turkish-Italian war broke out as had the Turkish Petroleum Company's concession at the outbreak of the world war. In neither case, he thought, could the concession be regarded as having been formally and finally granted by the Turkish Government and in neither case could the intervention of a state of war be looked upon as a sufficient reason for validating these concessions on the ground that, had war not broken out, the necessary formalities would have been fulfilled in

due course. The present claims of Admiral Chester and his associates were, he understood, based not on the earlier 1911 negotiations, but purely on the recent negotiations at Angora.

3. *Article* 65 : *Civil List Property.*

I spoke in the sense of paragraph 7 of Lord Curzon's despatch and read certain portions of that paragraph to Mr. Dulles. He listened with great interest to our view, and the only point on which he differed was in expressing his belief that certain of the beneficiaries of the Civil List revenues had been permitted in the past actually to acquire by private purchase some of the Civil List properties. The purchasers had left these properties to be administered by the Civil List organisation, but the properties themselves had, according to this view, ceased to be a part of the State domain. It would probably be difficult to decide precisely how many existing claims could be rightfully classed in this category of private property rightfully acquired and he realised that such gentlemen as Mr. Edwards and Mr. Bennett had confused the issue by including in the category of privately acquired properties many of the regular Civil List properties. From Mr. Dulles's remarks it did not appear that the State Department had any special desire to support claimants such as Messrs. Untermeyer, Edwards and Bennett, and their attitude appears to be confined to an academic desire to safeguard the ownership of any properties which were recognised as having duly and legally passed from the State to the hands of private purchasers.

4. *Article* 97 : *Validity of Concessions Granted by Ottoman Government since October* 1914

5. *Article* 98 : *Annulment of Concessions Granted to Enemy Nationals in which Interests of such Nationals are Preponderant.*

6. *Article* 115 : *Conflict of Existing Agreements with Draft Treaty of Peace.*

I read to Mr. Dulles the text of paragraphs 8, 9 and 10 of Lord Curzon's despatch, and he noted with pleasure the assurance given in each case that there was no intention of interfering with the validity of American rights. Mr. Dulles felt sure that in the circumstances no difficulty would be encountered at Lausanne in drafting these articles in such a manner as to give satisfaction to any misapprehension which might have existed at the State Department on these points.

In conclusion, Mr. Dulles desired me to thank the Foreign Office for this frank explanation of their views on the points raised and stated that, according to the information of the Department, the American delegates were now working in the closest touch with their Allied colleagues and that there appeared every hope that the various points on which there had been misunderstanding could be satisfactorily adjusted.

No. 289

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 24.)

(No. 93. Confidential.) [By Bag.]
(Telegraphic.) *Lausanne, May* 22, 1923.

M. VENISELOS came this morning to say that directly the Græco-Turkish reparations question had been settled and was out of the way he meant to ask for the approval of the Allied Powers to the conclusion of immediate preliminaries of peace between Greece and Turkey. Whilst he felt certain that peace between the Allies and Turkey was assured, the actual signature and ratification of the treaty might take two or three months. It was most urgent that Greece should have immediate peace with Turkey if only for the following three reasons :

1. That Greece should be able to get back the 80,000-100,000 Greek males kept back by the Turks at the time of the exodus of Ottoman Greeks from Asia Minor, in order that these males should rejoin the remnants of their families. The treatment to which Greek prisoners of war had been subjected in Asia Minor was causing the Greek Government the greatest anxiety regarding the welfare of the above-mentioned males.

2. To enable the Exchange of Populations Agreement to come into force, whereby the Greeks would get rid of a large number of Turks.

3. To allow the Greek Government to demobilise a considerable portion of the Greek army, and so relieve the Greek Exchequer of an intolerable burden.

M. Veniselos thought that it would be possible to reduce the Greek army in Western Thrace from nine to four divisions.

M. Veniselos explained that, if the Allied Powers agreed to the above-mentioned suggestion, which he would only put forward to the Allied delegations here after the Græco-Turkish reparations question had been settled, it would be possible to take out of the present treaty such articles as specifically and exclusively referred to Greece, leaving the Convention for the Régime of Foreigners, the Commercial Convention and the economic clauses to be concluded by the conference. M. Veniselos said that he had not mentioned the above proposal to anybody but myself.

No. 290.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received May* 23.)

(No. 94.)
(Telegraphic.) D. *Lausanne, May* 22, 1923.

MY telegram No. 90.

I am informed that General Pellé telegraphed to Paris recommending Treasury bill arrangement, and that Signor Montagna telegraphed to Rome to suggest that his Government should consult French Ambassador there

I also learnt that Italian Government may be unwilling to propose Treasury bill arrangement unless they know it will be accepted. I should be glad, therefore, to know if His Majesty's Government would be prepared to approve of that arrangement, and, if so, whether I may indicate this to my French and Italian colleagues.

No. 291.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(*Received May* 23.)

(No. 194.)
(Telegraphic.) R. *Athens, May* 22, 1923

BRIDGE over Maritza at Karagatch has been partially destroyed.

Ministry for Foreign Affairs informed me that this was caused by lightning, bridge having already been mined by Turks.

(Repeated to Lausanne and Constantinople.)

No. 292.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(*Received May* 23.)

(No. 195.)
(Telegraphic.) R. *Athens, May* 22, 1923.

MY telegram No. 190.

French Minister yesterday spoke to Prime Minister in the sense of his instructions, which did not include penultimate paragraph of your telegram No. 77. Prime Minister gave assurances similar to those already given to me, adding that in proof of pacific intentions Greek Government were willing to agree to slight rectification of frontier.

Press to-day draws attention to fact that French Minister's *démarche* was not as categorical as that of my Italian colleague and myself. News of *démarche* has caused great disappointment in press generally, as it is considered likely to stiffen Turkish obduracy.

(Repeated to Constantinople and Lausanne.)

No. 293.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(*Received May* 23.)

(No. 197.)
(Telegraphic.) R. *Athens, May* 23, 1923.

REPORTED crossing of over 7,200 armed Turkish troops and officers from Asia Minor to Eastern Thrace, which I understand has already proved subject of protest by Greek representatives at Lausanne, is causing considerable anxiety here and does not tend to allay warlike feeling.

Government press is heavily censored to-day.

(Repeated to Lausanne and Constantinople.)

No. 294.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received May* 23.)

(No. 305.)
(Telegraphic.) *Constantinople, May* 23, 1923.

FRENCH Acting High Commissioner complains that further transport of alleged demobilised Turkish soldiers to southern ports has taken place from Smyrna on Italian and British vessels. He quoted "Mingary" (250) and "Elpiniki" (? 1600).

He asserted that French intelligence had [?definitely] ascertained that these men are being reincorporated in Turkish army after disembarkation, and asked whether Governments would agree to follow French example and prevent all transport on British or Italian vessels.

Italian High Commissioner and I said we must refer to our Governments. I do not personally see necessity for such sweeping measure, though if French Government apply officially it may be awkward to refuse

I believe proposal to be partly inspired by dislike of seeing French vessels at a disadvantage, and am content to rely on discretion of acting consul-general in preventing transport if *bona fides* of demobilisation is suspected. I am asking him for report on the case referred to

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No. 295

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received May* 23.)

(No. 307.)
(Telegraphic.) *Constantinople, May* 23, 1923.

(R.) MY telegram No. 300.

Adnan, who telegraphed to Angora substance of my letter, read me yesterday reply from Reouf to the effect that he would do utmost to expedite agreement, and that Turkish Government would be inspired by spirit of utmost conciliation in negotiations with companies.

Adnan stated that, though he could not inform me so officially, his impression was that Reouf intended to raise immediately question of principles, putting aside all details for subsequent discussion. I expressed disappointment that Reouf had not thought fit to give at once assurance of definite acceptance of principles, which were so obviously just.

Reouf also added that it was not only company negotiations which were delaying conclusion of treaty at Lausanne, inasmuch as Allies there were reopening settled questions, such as cabotage, and introducing new ones, such as that of payment for wood cut for British forces during occupation period. (End of R.)

Reouf's telegram is, however, in one sense, not unsatisfactory, namely, that it is practically the first indication that I have had of any desire on the part of Turks either to get on with negotiations or to show good-will. Hitherto, though there has been no definite proof of the reverse, their attitude in various ways has not been encouraging in either respect. But I do not anticipate that I shall be in a position to report any definite development before the end of May.

(Sent to Lausanne, No. 116.)

No. 296.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received May* 23.)

(No. 308.)
(Telegraphic.) *Constantinople, May* 23, 1923.

LAUSANNE telegram No. 91, last sentence.

I am inclined to suspect from account given me by Swedish Minister of conversation with General Markof, Bulgarian representative in Constantinople, that latter is giving similar encouragement to Turks here.

(Repeated to Lausanne, No. 117, and Sofia, No. 5.)

No. 297.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 24.)

(No. 95.)
(Telegraphic.) *Lausanne, May* 23, 1923

MY telegram No. 93.

Idea underlying M. Venizelos's suggestion appears to be twofold:—

1. Doubt as to his ability to restrain war party in Greece indefinitely and desire both on this account and for financial reasons to hasten possibility of demobilising Greek army.

2. Desire to end situation in which relations between Turkey and Greece are constantly at the mercy of waves of feeling like those created by Bank of Athens incident, state of returned prisoners of war and indemnity question.

It is difficult not to sympathise with this attitude.

I understand that from legal point of view suggestion presents no difficulty, though it would be necessary before it was reduced to concrete proposal to obtain clearer view of what was intended, *e.g.*, whether preliminaries of peace would merely be superior kind of armistice or whether they would constitute instrument entirely independent of general Peace Treaty, and likely to be ratified separately from, and in advance of, latter. In either case it seems unlikely, in view of advanced state of our negotiations, that preliminaries could be signed much ahead of general treaty unless signature of latter is held up by concessionnaires' negotiations at Angora. Value of first alternative to Greece would be that mere signature of satisfactory preliminaries would probably enable Greeks to demobilise, at least partially. It would not, however, entail immediate release of male Greeks detained in Asia Minor or coming into force of Exchange of Populations Agreement unless new specific provision were made therefor. Value of second alternative, *i.e.*, embodiment of preliminaries in instrument, not only to be signed, but also ratified independently, would be much greater, as ratification of two Powers only would be required and might be expected to take place more expeditiously than ratification of general treaty.

On the whole I am disposed to view situation favourably, although I am alive to certain dangers which may be summarised as follows:

1. Turks may counter it by proposal to negotiate whole peace with Greece separately. This would mean negotiations so prolonged as to defeat objects which M. Venizelos has in view. Turks would also make capital out of new situation to detriment of Allies as well as of Greece, by claiming that latter had found her only means of salvation in suing for separate peace, and that Great Powers had had to recognise that this was her only course.

2. Change so considerable in procedure hitherto followed might complicate task of conference through mere necessity for a readjustment of present plans. Greeks might, in fact, find that in certain directions, *e.g.*, financial and economic clauses of treaty, Turks would refuse to give them terms as good as those which they are now obtaining as one of group of Allied signatories, and Allied assistance might thus be invoked by Greeks on questions already settled in existing draft treaty of Treaty

of Neuilly. It might also make Turks more difficult for Allies to deal with, as latter at present benefit indirectly from nervousness of Turks regarding potential military action by Greece. I do not think, however, that exaggerated view should be taken of this latter objection, for, as I have said above, it is unlikely that preliminaries could be ready for signature much, if at all, in advance of general treaty.

No. 298.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 24.)

(No. 96.)
(Telegraphic.) *Lausanne, May 24, 1923.*

PENULTIMATE paragraph and last paragraph of my telegram No. 81 and my telegram No. 82.

Meeting of Third Committee which it was hoped to hold on 22nd May did not take place owing to non-arrival of French economic expert, which has completely held up preparatory work of sub-committee of experts. This delay has been most unfortunate, as no progress has been made either with Part II of Convention for Foreigners or Commercial Convention, which, apart from small number of reserved questions, are only outstanding portions of economic work of conference. Expert having now at last arrived, I hope sub-committee will finish quickly, and that Third Committee will be able to sit within next few days.

It has also been impossible to proceed on lines foreshadowed in my telegram No. 82. I am holding meeting of First Committee on 26th May to deal with Parts I and III of Convention concerning Régime for Foreigners, on which Drafting Committee have produced agreed report (see my despatch No. 86), and to dispose of various isolated articles in draft treaty. I cannot, however, broach proposed deal over Castelorizo and minor territorial questions so long as deadlock concerning reparations continues. This clouds whole atmosphere and indisposes everybody immediately concerned in territorial questions to commit themselves regarding latter.

As regards Second Committee work, this has also been held up by reparations question. Allies have been unable to convoke it because they have not been prepared to take latter. On Turkish side there have been indications of increasing tendency to connect Græco-Turkish indemnity with Allied reparations. Turks are aware of our difficulties regarding latter. They are themselves nervous so long as it is unsettled as between us and them, and they may at any moment place us in awkward position by announcing their readiness to settle Turco-Greek indemnity question on basis of M. Veniselos's Karagatch proposal.

I am telegraphing separately about reparations question considered in itself. Object of present telegram is to explain reasons which have suspended all real progress of conference as a whole for nearly a week. I am doing everything in my power to get a move on, but causes of delay are beyond my control, especially as I suspect that my French and Italian colleagues have not that authority with their Governments which is necessary to make latter realise need for greater expedition. In spite of my constant pressure, coupled with his own efforts, it took General Pellé several days even to get economic expert sent out, and Signor Montagna is in mortal terror of Italian President of the Council.

No. 299.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 24.)

(No. 97.)
(Telegraphic.) *Lausanne, May 24, 1923.*

MY immediately preceding telegram shows that it is reparations question which now blocks the way. Although my French colleague has throughout agreed with me that it would be useless to confront Turks with any demand for contribution by them to reparations pool, he has not yet been able to induce his Government to accept this view, nor has he hitherto taken strong line with Signor Montagna. He has, however, agreed this morning to hold meeting of Second Committee on the 26th May to clear up situation regarding Turco-Greek indemnity. He is, moreover, sending

Bargeton to Paris to-day to press for a decision on Allied reparations question in the sense of definitely dropping any demand as against Turks.

General Pellé will endeavour this afternoon to extract from Ismet information as to attitude of Angora Government towards Karagatch proposal. If Ismet intimates readiness to accept this without making his acceptance contingent on Allies dropping reparations, meeting of Second Committee on Saturday may be unnecessary. We cannot, however, count on this, as even if Karagatch proposal appeals to Turks they are unlikely to show their hand until they are sure that no further Allied demand for reparations will be made. My Italian colleague is more difficult to bring to my way of thinking—

1. Because his Government are loath to abandon claim on Turks until they know what they will get out of pool; and

2. Because he would like to use this question as means of pressure both on Turks and Allies in connection with Castelorizo.

He professed until quite recently to regard Greek attitude towards Turkey as bluff. This is only partly true, because while men like M. Veniselos wanted peace war party in Greece may get out of hand. Moreover, Turco-Greek situation is at mercy of incidents.

I have told Signor Montagna most categorically this afternoon that I will not take up question of Castelorizo until reparations question is out of the way. I have asked him to convey this to his Government.

We should indeed be in sorry position if delay over reparations concerning only Allies were to precipitate armed conflict between Turkey and Greece. In getting General Pellé to agree to meeting on 26th May and taking above line with Signor Montagna I have done what I can to avert this danger. Immediate outlook would be, however, much better if we were not hampered by our own reparations question. I venture to suggest, therefore, that you should take strong and immediate action at Paris and Rome with a view to French and Italian delegates being instructed before midday on Saturday that any further Allied claim on Turks must be dropped and that distribution of sum available for reparations without further Turkish contribution must stand over for settlement between the three Governments. This should be facilitated if you could take immediate concurrence of Treasury in proposal to throw Turkish Treasury bills into reparations pool (see my telegrams Nos. 90 and 94).

(Repeated to Paris and Rome.)

No. 300.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 24.)

(No. 98.)
(Telegraphic.) *Lausanne, May 24, 1923.*

MY telegrams Nos. 96 and 97.

In interval between drafting these two telegrams I saw General Pellé. He had just received Greek Minister for Foreign Affairs, who told him that Greeks could no longer wait, and that if indemnity question were not settled by Saturday Greek delegation would leave that day. In myself pressing General Pellé to take action I was influenced, not by this threat, but my own conviction that situation is becoming impossible. Nevertheless, threat shows how seriously situation is viewed by Greeks, who have made real effort to arrive at settlement with Turks. We cannot, in justice to Greeks, refuse to discuss matter in committee if such a course becomes necessary.

M. Veniselos, speaking to member of my staff this morning, held language similar to that of Greek Minister for Foreign Affairs, and said that he intended to ask for interview, with my concurrence, with Allied colleagues and myself to-morrow in order to explain his position. He would apparently be satisfied if Ismet intimated, even privately, to Allies that he accepted proposed solution of Graeco-Turkish indemnity question.

From what M. Veniselos said Greek Government seem to have telegraphed that while accepting his advice and offering a sacrifice for the sake of immediate settlement of outstanding question between Greece and Turkey they cannot much longer keep open offer or await settlement.

While ready to accept private assurance from Allies that no reparations claim is again to be put forward by them against Turkey, he [*sic*: ? Ismet] will either temporise on plea that his Government have not answered or will counter-claim for 1913 frontier, prepared though he probably will be to accept M. Veniselos's offer as made as soon as he receives above-mentioned assurance; 1913 frontier would, of course, be quite unacceptable to Greece.

I do not think, in taking up attitude described above, M. Veniselos is bluffing. All that has passed with Greeks this morning confirms me in view that failure of Allies to agree amongst themselves about their reparations claim before Saturday may have disastrous effect on Turco-Greek situation, and so on conference.

No. 301.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 24.)

(No. 99.)
(Telegraphic.) *Lausanne, May 24, 1923.*

I AM somewhat disturbed at criticism in British press, and especially in "Times," regarding work of conference. So far as this week's suspended work of Main Committee is concerned, there is, of course, some justification for criticism, as my telegrams Nos. 96 and 97 will have made clear. Main method of meeting that criticism lies in as urgent as possible a solution of Allied and Greek reparation question on lines already suggested.

I am convinced that more general criticism of press regarding futility and procrastination of conference is quite unfair and unjustifiable. To the public, bulk of questions at issue, for which solutions have been found only by patient debate, are probably uninteresting and may often appear unimportant, but agreement by discussion, however slow, is the only procedure possible to-day.

My delegation have done their best to explain to press correspondents here nature of questions at issue and progress of conference from time to time. In order to counteract unnecessarily pessimistic tendency in press circles here, I also had a report circulated yesterday to British and reliable American journalists showing number of questions with which conference was confronted at its opening, and progress made in solving them. Copies of this report go by bag to-night.

I shall be grateful if press section of Foreign Office could also be instructed to do what they can to counteract tendency, perhaps by making use of that report and by speaking to representatives of prominent papers, particularly the "Times."

No. 302

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 24.)

(No. 199.)
(Telegraphic.) *Athens, May 24, 1923.*

MY despatch No. 352.

His Majesty's consul, Volo, reports by telegraph on what he believes to be good authority that two Greek torpedo boats recently proceeded under sealed orders to coast of Asia Minor to protect raiders. Subsequent telegram, dated 23rd May, states that torpedo boats have not returned.

British vice-consul at Samos, in despatch dated 18th May, states bands of irregulars have been organised by Greek Government in islands for guerrilla warfare on mainland of Asia Minor in the event of hostilities to create diversion in Thrace. Samos band consists of 600 refugees, well equipped with rifles and machine guns. Turkish aeroplane has threatened islanders with reprisals.

(Repeated to Constantinople and Lausanne.)

No. 303.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 24.)

(No. 200.)
(Telegraphic.) R. *Athens, May 24, 1923.*

MY telegrams Nos. 169 and 184.

Chief of Revolutionary Committee informed press last night that Greek delegation had been instructed to withdraw from conference if final decision imposes indemnity. In that event, Greek Government would recover liberty of action.

To-day's press represents situation as very grave.

(Repeated to Constantinople and Lausanne.)

No. 304.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 24.)

No. 309. Most Secret.)
(Telegraphic.) *Constantinople, May 24, 1923.*

REFET PASHA has telegraphed that he cannot hold Chatalja lines owing to number of his troops who have already been, and anxiety of those who remain to be, demobilised. He informs Angora that either more troops who would be recruits and unsuitable must be sent from Anatolia or all idea of defending Eastern Thrace must be abandoned.

In latter case he proposes to send back immediately to Anatolia all surplus troops, guns and material, except some 3,000 men.

This is first definite evidence that Refet's military organisation in Thrace is a failure.

Retransfer of men to Anatolia looks as if idea was to be able, by removing all trace of breaches of Mudania Convention, to hold Allies responsible for its protection against Greeks.

Information confirms appreciation in my telegram No. 273.

General Harington is of the opinion that the moment has come for firm line to be taken. I entirely agree with him. The Turkish situation to-day is comparable to that of the Greeks last September. What General Harington describes as human element is now making itself felt. Turkish soldiers are weary of war and waiting for peace, and it is doubtful if they can any longer be counted upon, whereas Greek *morale* is high.

Information may be useful in inducing Turks to settle Græco-Turkish indemnity question.

(Repeated to Lausanne, No. 118.)

No. 305

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 31.)
(Telegraphic.) R. *Foreign Office, May 24, 1923.*

YOUR telegrams Nos. 90 and 94 of 22nd and 23rd May: Reparations.

Treasury state that it is by no means clear that the Turkish bills can be surrendered without a vote, but if the reparations question can thereby be settled His Majesty's Government would be prepared to hand over the bills to be realised for the reparations pool.

They add that there must, of course, be no question of paying 846,000*l.* in cash, and the position that the £T. 2,000,000 gold remain here for British claimants should be maintained; Great Britain has already given up huge sums in respect of army of occupation costs.

No. 306.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 32.)
(Telegraphic.) *Foreign Office, May 24, 1923.*

I WAS preparing to address you on the subject of the present position of the negotiations with Turkey, and the line to be taken in regard to outstanding questions still barring the way to conclusion of peace, when I received your telegram No. 93 of 22nd May. May I understand from it that there is now a real prospect of an early settlement of the question of Græco-Turkish reparations? I shall be glad to have your report on this point, as it will materially affect the tenor of my proposed instructions.

No. 307

The Marquess Curzon of Kedleston to Sir A. Geddes (Washington).

(No 174.)
(Telegraphic.) *Foreign Office, May 24, 1923.*

MY despatch No. 693 of 8th May, transmitting despatch No. 340 to Athens: Refugees in Near East.

As practically all voluntary relief work in Greece will be closed down shortly, liquidation of refugee problem is becoming urgent. Possible solution lies in proposed loan, for which Greece is offering serious guarantees. Loan will be considered by Financial Committee of League of Nations, 15th June, at Geneva, together with comprehensive scheme of settlement and relief now being prepared by Colonel Procter. Presence of Americans, even if only as observers, would be welcome to His Majesty's Government.

In view of State Department's note of 31st March and of general American interest in relief, do you anticipate any objection being raised by United States Government to their sending technical observer to meeting of Financial Committee in Geneva?

If not, I leave the means of putting the matter to the State Department entirely to your discretion.

No. 308

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 33.)
(Telegraphic.) *Foreign Office, May 24, 1923.*

CONSTANTINOPLE telegram No. 112 to you of the 19th May: Negotiations between concessionnaires and Turkish Government.

Representations which Mr. Henderson proposes to make officially would seem to be in order, except that we do not consider it sufficient that the Turkish Government should spontaneously announce its intention to conclude agreements with foreign companies. We think that we should demand a declaration from the Turks of a somewhat formal nature in regard to the conclusion of agreements, and with this amendment Mr. Henderson's proposal could be approved.

What are your views?

E 5329/5329/44] No. 309.

War Office to Foreign Office.—(Received May 25.)

THE Secretary of the War Office presents his compliments to the Under-Secretary of State for Foreign Affairs, and is commanded by the Army Council to transmit, for the information of the Marquess Curzon of Kedleston, a copy of the special convention drawn up in compliance of article 4 of the Mudania Convention.

War Office, May 25, 1923.

Enclosure 1 in No. 309.

Lieutenant-General Sir C. Harington to War Office.

Sir, *Constantinople, May 15, 1923.*

I HAVE the honour to inform you that the special convention drawn up in compliance with article 4 of the Mudania Convention has now been finally approved by the Allied Generals and will come into force forthwith, and I forward herewith two copies of it for your information. Copies of the French text will be forwarded as soon as they are ready.

I have, &c.
C. H. HARINGTON, *Lieutenant-General,*
Commanding-in-chief the British Forces in Turkey.

Enclosure 2 in No. 309.

MIXED MILITARY RAILWAY MISSION—KARAGHACH.

Special Convention drawn up in Compliance with Article 4 of the Mudania Convention.

THIS convention will remain in force for such time as the Mudania Convention itself remains in force.

2. Zone of the Mission.

The zone of the mission comprises that part of the Orient Railway in Western Thrace which lies between the Bulgarian frontier and the Maritza from a point between the stations of Svilengrade and Mustafa Pasha (Kadikeuy) to Kuleli Burgas station at the point where the line crosses the Maritza and including the branch line from Karaghach to the station known as Adrianople Ville.

3. Object of the Mission.

(*a.*) To ensure entire freedom of traffic by railway through the zone of the mission to and from Adrianople.

(*b.*) It will therefore—

(i.) Supervise the working of the present convention, and will assume the protection of all passengers who comply with the regulations of this convention.

(ii.) At the same time it will see that Greek interests are not injured by passengers who enjoy the special privileges granted to them under this convention.

4. Arrangements.

(a.) *Passengers by the conventional train or post train (that is, by trains 8 and 9) to or from Adrianople Ville Station.*

For those passengers special carriages, travelling under Allied guards through the mission zone in either direction, are provided. No passports or papers are necessary, but no passenger may enter or leave the special carriages between the terminal points of the zone. Any person getting out of the train contrary to these instructions will be arrested by the Allied police and held at the disposal of the Mixed Railway Mission, which will be responsible for the passenger being sent out of the zone of the mission in the direction from which he came. This prescription will not be applied in the case of *force majeure*.

All carriage doors will be locked, and all carriages clearly marked "Adrianople Ville" in French and Turkish whilst passing through the the zone of the mission.

The luggage compartments and goods waggons will be sealed before entering the zone of the mission and before leaving Adrianople Ville, and will remain sealed until they leave the zone of the mission or arrive at Adrianople Ville.

The passage or transport of arms and ammunition is forbidden, but officers only in uniform may carry their arms, and armed gendarmes can be transported by rail by special arrangements with the mission.

Allied control posts at Kuleli Burgas, Mustafa Pasha and Adrianople Ville stations will make such inspection as is required to ensure the compliance with these regulations.

All persons except officers in uniform and all baggage goods and mails are subject to inspection when considered necessary by the mission.

In the zone of the mission Allied police are responsible for the protection of these special coaches *en route*, and Allied troops are responsible whilst these coaches are in stations.

All persons proceeding to or from Adrianople Ville must travel in passenger coaches and not in goods trucks, the only exception being the official travelling in the post wagon.

(b.) *Passengers by Simplon-Orient express trains to and from Adrianople Ville Station.*

These passengers must carry a paper of identification showing clearly their point of departure and destination, one of which must be Adrianople Ville.

Passengers from Adrianople Ville will receive this paper on arrival at Karaghach station; passengers to Adrianople Ville will receive theirs in the train as soon as they enter the zone of the mission, namely, at Mustafa Pasha (Kadikeuy) and Kuleli Burgas stations.

They must travel by the special branch trains between Karaghach and Adrianople Ville stations, or, after making special arrangements with the railway company, they may cover this part of the journey by special train. On such trains and whilst at Karaghach station these passengers will be under Allied protection.

The railway company must notify the mission in good time when there are passengers for Adrianople Ville by these trains.

C. H. HARINGTON,
Lieutenant-General, Commanding-in-chief the Allied Forces of Occupation (Turkey).

CH. CHARPY,
Général Commandant le Corps d'Occupation français.

G. MOMBELLI,
Generale di Divisione Comandante del Corps d'Occupazione Italiano.

Annex to the Special Convention drawn up in Compliance with Article 4 of the Mudania Convention.

(Facilities granted to passengers travelling from Bulgaria to Eastern Thrace whose destination is other than Adrianople Ville and *vice versâ*.)

1. *Passengers on the conventional trains, that is, by trains Nos. 8 and 9.*

No visa or identification paper is required for passengers using Navette coaches for the whole journey Uzun Keupru–Svilengrade, or *vice versâ*, and changing coaches at Karaghach station. Passengers who do not wish to take advantage of the Navette coaches must be in possession of a passport with a Greek transit visa (or Spanish on behalf of Greece).

2. *Passengers by Simplon-Orient express.*

These passengers must be in possession of a passport bearing a Greek transit visa (or Spanish on behalf of Greece). Passengers who are in possession of a Turkish passport and who are unable to obtain the above-mentioned visa must provide themselves with a special visa, which can be obtained from the Mixed Railway Mission, as soon as they enter the zone of the mission.

On entering this zone the holders of Turkish passports will have their passports withdrawn from them by the mission's control post. These passports will be returned to their owners on leaving this zone.

The duty of controlling these trains within the area of the Mixed Railway Mission will be carried out conjointly and simultaneously both by the Greek authorities and control posts, established for this purpose by the Mixed Mission at Kuleli Burgas and Mustafa Pasha (Kadikeuy).

Allied police and Allied troops will protect these trains in the zone of the mission.

Note.—As these arrangements take the form of provisional facilities granted by the Allied authorities to the above-mentioned passengers they are liable to be cancelled by these authorities should the occasion arise.

C. H. HARINGTON,
Lieutenant-General, Commanding-in-chief the Allied Forces of Occupation (Turkey).

C. H. CHARPY,
Général Commandant le Corps d'Occupation français.

G. MOMBELLI,
Generale di Divisione Comandante del Corpo d'Occupazione Italiano.

No. 310.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 202.)
(Telegraphic.) *Athens, May 24, 1923*

MY telegram No. 200.

I am informed that in official circles warlike feeling is increasing. "Times" correspondent, who saw General Pangalos at Salonica yesterday, states that every preparation is being made for immediate outbreak of hostilities. Chief medical officer had left Salonica for the front. General Pangalos protested that he would have no difficulty in dealing with Turks, but that his hands were tied.

Statement by Premier, however, appears in this evening's press toning down remarks purporting to have been made last night by Chief of Revolutionary Committee.

(Repeated to Constantinople and Lausanne.)

No. 311.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. . Private and Secret.)
(Telegraphic.) *Athens, May 24, 1923*

KING'S Marshal called this evening to tell me that His Majesty is extremely worried about situation. He has been told by Government that they intend to make war to-morrow or next day. His Majesty warned them seriously about acting contrary to the will of the Powers and without obtaining approval of the people or their representatives.

I beg that King's name be not mentioned on any account.

(Sent to Sir H. Rumbold.)

No. 312.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 100.)
(Telegraphic.) R. *Lausanne, May 24, 1923*

MY telegram No. 91.

M. Todorof, unofficial Bulgarian agent here, called to-day to say that he had heard that there were reports in circulation, based mainly on statements made by Serbian delegate, to the effect that he, Todorof, was encouraging Ismet in his demands

on Greece. He wished to give me formal assurance, which he hoped I would repeat to you, that the exact contrary was the case and he had never ceased impressing on Ismet the necessity for signing peace as soon as possible.

He had even told Ismet yesterday that he ought to drop his demand for reparations from Greece.

Having heard of proposed cession of Karagatch to Turkey, Todorof had informed Ismet that this would not suit Bulgaria at all.

Todorof expressed the view that Turks and Greeks are each making use of a bluff, the former that they can count on Bulgarian assistance and the latter that they can count on Serbian assistance.

(Repeated to Constantinople, Athens, Belgrade and Sofia.)

No. 313.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 101.)
(Telegraphic.) *Lausanne, May 24, 1923.*

YOUR telegram No. 31.

I am most grateful for your prompt reply.

Proposal contemplated is that British claimants should share in 5,000,000*l.* in proportion to their claims, which will probably entitle them to considerably more than 2,000,000*l.* Payne thinks they should acquiesce in this proposal, and I assume you will not object.

No. 314.

Sir H. Rumbold (No. 8) to Mr. Bentinck.—(Repeated to Foreign Office; Received May 25.)

(No. 102.)
(Telegraphic.) R. *Lausanne, May 24, 1923.*

YOUR telegram No. 197 to Foreign Office.

On strength of Constantinople telegram No. 114, which was not repeated to you, I informed M. Veniselos on 22nd May that there was no truth in report that 7,000 Turkish troops had crossed to Eastern Thrace from Asia Minor. I have since ascertained from M. Veniselos that he at once passed my statement on to his Government. Please use above information as best you can.

(Repeated to Constantinople.)

No. 315.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 103.)
(Telegraphic.) *Lausanne, May 24, 1923.*

YOUR telegram No. 32 was crossed by my telegrams Nos. 96, 97 and 98, which will have explained developments in Græco-Turkish reparation question here up to this afternoon.

This evening General Pellé informed Signor Montagna and myself that Ismet had not yet had a reply from Angora with a view to offer of Karagatch. He had told Ismet that question of Græco-Turkish reparations would be discussed on Saturday, by which day he hoped Ismet would have had a reply.

It is difficult to prophesy how or when question will be settled, but my colleagues and I are fairly confident that Ismet can be forced to accept Karagatch solution once we can take united and drastic line with him on the subject. This will only be possible once the Allies have definitely decided to drop all reparation claims on Turkey and speak energetically to Ismet and with one voice. When that will be and whether M. Veniselos can control his Government or his Government their military authorities until then are at present uncertain factors in the situation.

No. 316.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

No. 104.)
(Telegraphic.) *Lausanne, May 24, 1923.*

MY telegram No. 85 to Athens.

Turco-Greek reparation question has assumed somewhat formidable aspect owing to not unnatural but embarrassing impatience of Greeks. They have now pushed their insistence on immediate settlement to length of threatening to leave Lausanne on Saturday afternoon if it is not settled by then. Question has been held up partly because of difficulty of taking it up in conference independently of Allied reparation question, partly, and especially of late, in hope that it would be settled separately as a result of direct conversations between Ismet and M. Veniselos. Ismet states that he has had no answer from Angora regarding proposal that it should be settled by cession of Karagatch in lieu of indemnity. Line now taken by M. Veniselos amounts to backing this proposal by a sort of ultimatum. He is clearly acting under strong pressure from Athens, and main difficulty of situation lies in the fact that military party there may escape his and Allied control.

My colleagues and I are straining every nerve to prevent situation from developing from one of grave anxiety into one of real danger. We have all agreed that conference must deal with Turco-Greek indemnity question without delay, even if it has to be taken independently of our own reparation question. We have arranged in principle to hold meeting of Second Committee on Saturday to discuss former. Lest it should be impossible to dissociate two questions, I am pressing strongly for action to induce French and Italians to drop any further reparation demand against Turks.

I have now enlisted strong personal support of General Pellé in this.

Above is for your information and for discreet use as situation develops in next few days.

(Addressed to Constantinople, No. 35; repeated to Athens.)

No. 317.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 105.)
(Telegraphic.) D. *Lausanne, May 24, 1923.*

MY telegram No. 98.

Excitement here has been intensified by telegram from Athens, dated to-day, reproducing statement attributed to Colonel Gonatas to the effect that Greece had given Allies until 26th May to find solution for indemnity question; that Greece could no longer remain in exhausting state of uncertainty, and that if conference decided that Greece should pay indemnity, Greek delegates would leave Lausanne and Greek Government would resume liberty of action.

I asked M. Veniselos and Greek Minister for Foreign Affairs to see me this evening. I drew their attention to the gravity of this public announcement which amounted to an ultimatum to the Allies, not to Turkey. I pointed out that after Greece had got Allies to put forward Karagatch proposal on her behalf, the least they could expect was that she should allow them to seek solution of difficulty. I pointed out that we were doing our best for Greece, and I took special exception to implied suggestion that conference contemplated insisting on payment of indemnity by Greece.

My visitors at first tried to belittle importance of telegram as being mere journalism. On my insisting, they admitted that Gonatas had expressed himself badly, but they strongly defended their own action this morning.

Interview was distinctly lively. It was difficult to keep them to any reasonable discussion of present situation. They insisted on their pacific intentions, disclaiming any idea of ultimatum, and refused to admit that they were doing more than what was necessary and would be sufficient to elicit definite answer from Turks to Karagatch proposal. They said that they suspect Turks of deliberately withholding answer in order to gain time, and to strengthen their military position. I pointed out that Turks showed no signs of wanting war or of taking any special

military measures in Thrace. I expressed personal conviction that Ismet had not answered proposal because he had not heard from Angora. I said that, in any case, we had given Greeks satisfaction by arranging for meeting of Allied, Turkish and Greek delegates on Saturday afternoon (this had been arranged between my French and Italian colleagues and myself late this afternoon).

My visitors continued to rail against Turks and at intervals to reproach Allies. I at last put definite question as follows: Allies would hold meeting on Saturday. Turks might put forward unreasonable demands. If so, Allies would resist them, but they were unlikely to get Turks to hear reason in one sitting. For Allies that would mean adjournment of discussion. What would it mean for Greeks? M. Veniselos promptly replied that on his present instructions it would mean departure of Greek delegates. He was obviously, however, somewhat shaken, for he said that he would at once telegraph, and without saying he expected new instructions, he emphasised fact that he would have time to receive them.

I impressed on M. Veniselos gravity of what he had said in view of effect which withdrawal of Greek delegates would necessarily have on conference as a whole. It would mean not only immediate rupture as far as Greece was concerned but imminent danger of complete rupture. It would leave His Majesty's Government no option but to disclose whole facts, including precise origin of Karagatch proposal He agreed that this would be natural.

I have informed my French and Italian colleagues of gist of interview. We are receiving M. Veniselos together to-morrow morning.

No. 318.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 204.)
(Telegraphic.) R. *Athens, May 25, 1923.*

MY telegrams Nos. 200 and 202.

Prime Minister told press last night that Greece would consent to proposed postponement of indemnities discussion for a few days to enable Ismet to hear from Angora. He denied Turkish reports regarding movement of fleet and transports towards Dardanelles. He added that Serbia had now given very favourable assurances to Greece respecting her attitude in case of war.

(Sent to Lausanne; repeated to Constantinople.)

No. 319.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 205.)
(Telegraphic.) *Athens, May 25, 1923.*

CHIEF of Revolutionary Committee informed head of British school yesterday, with obvious desire for repetition to me, that if Greek delegation withdrew from Lausanne, Cabinet meeting would consider attitude and next step and could not bind themselves to act in accordance with recommendations of Greek delegation. Army, said by him to consist of 150,000 men, including 100,000 bayonets and 300 guns, prepared to advance at twenty-four hours' notice (compare my telegram No. 180).

He added that troops would be much encouraged by fact that Constantinople was objective, but that Greeks had no desire to retain Eastern Thrace and Constantinople, and would, if necessary, be content with Maritza frontier.

Chief of Revolutionary Committee appeared very determined, maintaining that prolongation of present state of uncertainty was worse even than unsuccessful war. Greeks needed no excuse for attacking, as presence of 40,000 Turkish troops with guns in Eastern Thrace was a violation of armistice. He seemed to think war the most probable solution.

The number of people who still believe in peaceful solution is declining, and every day adds to gravity of the situation (my telegrams 175 and 188).

(Repeated to Lausanne and Constantinople.)

No. 320.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 311. Secret.)
(Telegraphic.) *Constantinople, May 25, 1923.*

ALL information obtained from secret sources during past month tends to prove that Ismet is set upon peace. He frequently counsels moderation and suggests compromises. Recent instance is suggestion from Angora that favourable result might be expected from allowing election to Grand National Assembly from amongst Sheikh Mahmud's partisans of Deputies for Mosul and Suleimanieh. Ismet deprecates proposal as serving no useful purpose and only likely to cause serious harm.

On the other hand, there has yet been no indication of any weakening or desire for conciliation at Angora, where Council of Ministers would appear to be living in a fool's paradise.

(Sent to Lausanne, No. 121.)

No. 321.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 106.)
(Telegraphic.) *Lausanne, May 25, 1923.*

YOUR telegram No. 33.

Allied note of 28th March contemplated two alternatives, viz.:—

(*a*.) Conclusion of satisfactory arrangements between Turkish Government and companies, or

(*b*.) Reinstatement in treaty of stipulations similar to those in draft of 31st January.

If we are now to be content with declaration in lieu of (*b*), I agree that it should be of formal nature. It would be preferable that it should be made at Lausanne as annex to treaty. Following points also arise:—

1. If Mr. Henderson's present suggestions regarding principles are to be made basis of official representations, ought not these to be agreed with Allies and made jointly with them?

2. Mr. Henderson's statement of principles does not cover non-completed concessions governed by second paragraph of article 94.

On the whole I think that it would be better to confine action at Constantinople to pressure of general kind and to take here jointly with Allies any action leading up to establishment of principles. We should have to begin by saying that as there appeared to be no prospect of making detailed arrangements with companies in time we must fall back on alternative (*b*), and we could then compromise on basis of accepted declaration. My warnings to Ismet (see my despatch No. 70) will have prepared the way for this procedure, which might be set in motion as soon as present crisis has subsided, unless by that time reports from Adnan show real progress there.

I am telegraphing separately about Reouf's complaints as reproduced in Mr. Henderson's telegram No. 306.

No. 322.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 107.)
(Telegraphic.) D. *Lausanne, May 25, 1923.*

MY telegram No. 97, paragraph 1.

General Pellé has just had telephone message from M. Bargeton that M. Poincaré agrees definitely to renounce French reparation demand upon Turkey.

General Pellé and I are pressing Signor Montagna to inform Rome at once and obtain similar instructions with a view to reaching Allied agreement before Turco Greek reparation question is discussed to-morrow.

(Repeated to Paris, Rome, Constantinople and Athens.)

No. 323.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 108.)
(Telegraphic.) *Lausanne, May 25, 1923.*

MY colleagues and I received M. Veniselos this morning. We went over much old ground which I had covered with him in my interview last night (see my telegram No. 105). He again explained at length that it was impossible for the Greeks to wait indefinitely for Turkish reply to their offer of Karagatch in settlement of indemnity question, and seemed to proceed on the assumption that the Turks were purposely delaying their reply or would decline the offer.

We insisted that, as he had put himself in our hands and had asked us to mediate between the Turks and himself, he must allow time for our mediation to have effect. We impressed on him that we were just as anxious as himself to get this question out of the way, and that we would not tolerate delay. We said that, if the facts regarding the offer of Karagatch were made known, public opinion would be unanimously opposed to Greece, if her delegates suddenly left the conference without allowing time for a settlement. M. Veniselos, who was much calmer than last night, then said that he would not leave Lausanne to-morrow evening, even if it did not prove possible to reach a solution of the Greek indemnity question at to-morrow's meeting.

I have asked the Serbian and Roumanian delegates to speak to M. Veniselos in much the same sense. They say they have already done so. Roumanian Minister stated that he had already requested the Roumanian Government by telegraph to enjoin moderation at Athens. I shall also see Ismet and tell him that he must lose no time in settling the indemnity question with Greece.

I understand that the Turks are very depressed at what they allege to be the failure of Hassan Bey's conversation with the bondholders in Paris, and I think the moment has now arrived to show the utmost firmness with Ismet on the indemnity questions.

No. 324.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 25.)

(No. 109.)
(Telegraphic.) *Lausanne, May 25, 1923.*

YOUR telegram No. 34.

Your instructions acted on.

M. Veniselos repeated formal assurance, which he had already given me, that the Greek Government will not denounce armistice nor resume hostilities without previous notice to the Allies. He said that he could not express an opinion on the statement made by the Greek Prime Minister as reported in Athens telegram No. 184. M. Veniselos added that, in order to guard against hasty action by the Greek Government, he had already arranged that, as Greek Minister for Foreign Affairs is now at Lausanne, denunciation of armistice and notification to Allies would be made here, always supposing that the Greek Government decided on that course of action. I had pointed out to M. Veniselos that in view of Reuter's telegram, which I had shown him last night (see my telegram No. 105), it was to be feared that the Greek Government might embark on hostilities at a moment's notice, even to-morrow or Sunday.

M. Veniselos admitted that he had been somewhat carried away by his feeling last night, and promised that he would do nothing to precipitate matters if at to-morrow's meeting he saw the least chance of a solution of the reparations question

No. 325.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 34.)
(Telegraphic.) *Foreign Office, May 25, 1923.*

BENTINCK'S private and secret telegram of yesterday.

Please speak at once to Veniselos, and with reference to your telegram No. 65 of 17th May ask whether His Majesty's Government are right in relying on his formal

assurance that Greek Government will not denounce armistice nor resume hostilities without previous notice to Allies, and on Greek Prime Minister's further statement, reported in Mr. Bentinck's telegram No. 184 of 19th May, that Greece would not act contrary to wishes of Powers.

M. Veniselos will realise the gravity of the responsibility which his Government will incur if, in disregard of these assurances, they now take action, destroying all chances of peace in the Near East, which the Powers are so earnestly striving to attain.

No. 326.

The Marquess Curzon of Kedleston to His Majesty's Representatives at Paris (No. 236) and Rome (No. 151).

(Telegraphic.) *Foreign Office, May 25, 1923.*

LAUSANNE telegram No. 97 of 24th May: Reparations.

Please urge Government to which you are accredited immediately to instruct their delegates at Lausanne to agree to drop Allied claim for reparations against Turkey, leaving distribution of sum available for subsequent settlement among Allied Governments. You may inform them that His Majesty's Government are prepared to hand over for reparations pool the 846,000*l.* of Turkish Treasury bills, although, in view of huge sum given up in respect of British army of occupation, they could not consent to payment of this amount in cash.

You should point out that settlement of Turkish reparation claim against Greece and contingent issue of peace and war may be dependent on earliest possible settlement of this question.

(Repeated to Lausanne, No. 35.)

No. 327.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 36. Confidential.)
(Telegraphic.) *Foreign Office, May 25, 1923.*

DISCUSSIONS at Lausanne have reached a point where it becomes urgently necessary to take stock of the situation and to be prepared for a crisis which will require a definite decision involving the fate of the conference. Apart from minor issues a deadlock may ultimately be reached on any of the four following outstanding questions, on which no agreement is at present in sight: (1) Turkish reparations; (2) concessions; (3) régime for foreigners; and (4) Greek reparations. It seems essential to come to a clear understanding with our Allies on a common policy regarding these questions, and for this purpose they must decide how far they are prepared to yield in order to obtain Turkish signature to a treaty. Before approaching the French and Italian Governments I shall be grateful for your views and advice. I will deal with the four points in order:—

(1.) Pending the result of inter-Allied discussions now proceeding, it is impossible to foresee the ultimate outcome, but it may be assumed that Allied Governments, having in July last unconditionally waived demand for Turkish reparations, will not wish to break off on the ground that Turkey now refuses to allow the waiver to be withdrawn.

(2.) We shall have to insist on either a very speedy termination of the negotiations at Angora, which it seems hopeless to expect if present dilatory proceedings continue, or on the inclusion of some general stipulations in the treaty or in an annexed instrument, or possibly on some other binding guarantee by the Turks, which might in the last resort be separate from the treaty itself.

(3.) There is no sign of Turkey's receding from the Montagna formula, and it may well be that Ismet is committed to this at Angora. On the other hand, we can hardly agree to the far-reaching concessions involved in that formula, and I gather your experts have expended all their ingenuity in vain attempts to render our minimum demand acceptable. If a breakdown of the conference is inevitable, it may be of

advantage that it should come on this ground, where we can count on American support and the general approval of public opinion.

(4.) The question of Greek reparation to Turkey depends on Greece herself rather than on the Allies; whilst everything points to her inability to yield to the Turkish demand, there appears to be some hope of a settlement by compromise. On this point I am awaiting your answer to my telegram to you (No. 32) of 24th May. Should, however, the separate negotiations now proceeding between Veniselos and Ismet come to nothing, and particularly should the Turks refuse the Karagatch offer in return for the abandonment of the Turkish claim for Greek reparations, the probability of a denunciation of the Mudania Convention by Greece must be reckoned with. We shall, therefore, have to consider two contingencies:—

(*a.*) Greek and Turkish delegations may merely report to you and your colleagues their inability to agree. In this event I do not see that we can do more than urge both sides to reconsider their attitude since we can force neither to yield, and endeavour to relegate settlement of this question to some future agreement, meanwhile signing the treaty of peace.

(*b.*) Disagreement may be followed by denunciation of the armistice, which would raise whole question of the position of the Allies at Constantinople in the event of the renewal of hostilities. French and Italian Governments will probably agree that the three principal Allies ought, if possible, to avoid being themselves involved in hostilities against either Greece or Turkey, and also that they should maintain Allied occupation of Constantinople until a peace is concluded, although the Allied generals at Constantinople appear anxious to withdraw to Gallipoli if hostilities are renewed.

The best plan, if militarily feasible, would probably be that advocated in Mr. Henderson's telegram No. 299 (repeated to you, No. 110), namely, the recognition by both belligerents of a restricted neutral zone around Constantinople and other positions occupied by the Allies, whilst Greek and Turkish naval as well as military forces would be free to operate in every other theatre of war.

The whole question will have to be considered in the immediate future by the Cabinet, but in the meantime I should be glad of your views on the several points raised in this telegram. You will realise that our attitude in the event of a renewal of hostilities must largely depend on the attendant circumstances, which may be either Turkish refusal of reasonable Greek offer and of Allied advice, or—as appears less likely—a Greek policy of adventure in defiance of Allied warning.

(Repeated to Constantinople, No. 165; Paris, No. 237; and Rome, No. 152.)

No. 328.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 166.)
(Telegraphic.) *Foreign Office, May 25, 1923.*

PLEASE communicate to General Harington my telegram No. 36 to Sir H. Rumbold.

No. 329.

The Marquess Curzon of Kedleston to His Majesty's Representatives at Paris (No. 238 (by Telephone)) and Rome (No. 153 (R)).

(Telegraphic.) *Foreign Office, May 25, 1923.*

MY telegram No. 236 (My telegram No. 151).

Telegrams just received from Sir H. Rumbold show that the situation at Lausanne has now become most critical, especially in connection with Greek demand for immediate settlement, which hinges on Turkish demand for reparations from Greece. Allied representatives seem convinced that this question of Greek reparations cannot be settled until Turks are assured that at least Allies will not demand for themselves any reparations from Turkey. A critical meeting is to take place 26th May. Greek

delegates declare they will have to leave Lausanne unless agreement on the reparation question is arrived at that day. It is therefore of the utmost importance that Government to which you are accredited should without fail authorise their representative at Lausanne to-night by telegram to inform Ismet that Allies will claim no reparations from Turkey. It would then be for the Allies to arrange subsequently among themselves method of allotting the money available for their claims.

Please act immediately.

(Repeated to Lausanne, No. 37; Athens, No. 86; and Constantinople, No. 167.)

No. 330.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 87.)
(Telegraphic.) R. *Foreign Office, May 25, 1923.*

MY telegram to Paris No. 238.

In discussing with Veniselos meeting for 26th May, Sir H. Rumbold pointed out probability that it would not be possible to bring Turks to reason in one sitting. Veniselos said that on his present instructions that would mean departure from Lausanne of Greek delegation. He said, however, that he would telegraph again and without saying he expected new instructions emphasised that he would have time to receive them.

Take urgent action to ensure that utmost latitude is given M. Veniselos not to leave Lausanne precipitately or while there is the smallest chance of a peaceful settlement.

(Repeated to Paris, No. 239; Rome, No. 154; Constantinople, No. 168; and Lausanne, No. 38.)

No. 331.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 26.)

(No. 206.)
(Telegraphic.) R. *Athens, May 25, 1923.*

YOUR telegram No. 87.

Head of Political Bureau, to whom I delivered your message, took it immediately to the Prime Minister. As Chief of Revolutionary Committee [? could not be] found, Cabinet could not meet to-night, and Prime Minister dared not give necessary instructions without Cabinet authority. Cabinet meeting is promised for early to-morrow, when I shall be informed of decision.

No. 332.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 26.)

(No. 313.)
(Telegraphic.) *Constantinople, May 25, 1923.*

MY telegram No. 299.

French Acting High Commissioner informs me that French Government have instructed him that, in the event of Greco-Turkish hostilities, French forces are not to be involved, army and French citizens are to be evacuated as soon as possible, and no opposition is to be raised to passage of Turkish troops into Eastern Thrace.

Italian High Commissioner has no instructions, but declares in any case it will be impossible for him to evacuate Italian colony.

(Sent to Lausanne, No. 124.)

No. 333.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 26.)

(No. 110.)
(Telegraphic.) *Lausanne, May 25, 1923.*

MY telegram No. 108.

I have asked Ismet this afternoon whether he had had an answer from Angora regarding suggested cession of Karagatch. He replied in the negative, but I have some reason for believing that he is not telling the truth, and that an answer has come which he considered unsatisfactory and that he has telegraphed to Angora again.

I told him that this question must be settled without further loss of time, in fact at to-morrow's meeting, if possible. I asked him how it was that he, who always strenuously [? omitted: asserted] that he had full powers to settle matters and was Minister for Foreign Affairs, could not settle this question on his own responsibility. His answer was evasive and unsatisfactory, but he agreed that question must be got out of the way immediately

I told him that I had seen in the press that Turks meant to ask for railway between Kuleli Bourgas and Karagatch, and I said that such a demand was quite preposterous and out of the question. He said that press seemed to know more about Turkish intentions than Turks did themselves. He stated that he would like to settle all the other questions between Greece and Turkey straight away; such, for instance, as question of [? Greek] [? prize]s I inferred from this that he is [group undecypherable] Greek army and about situation on Maritza.

(Repeated to Athens and Constantinople.)

No. 334.

Mr. Erskine to the Marquess Curzon of Kedleston.—(Received May 26.)

(No. 38.)
(Telegraphic.) *Sofia, May 25, 1923.*

LAUSANNE telegram No. 91; Constantinople telegram No. 308.

It is most unlikely that Bulgarian Government are encouraging Turks. I believe they do not desire renewal of hostilities, which may lead to violation of Bulgarian territory, and must cause them much anxiety and expense in guarding frontier. They have more to lose than to gain, as winning side would doubtless obtain [? extension of] territory in [? Thrace] to the prejudice of Bulgaria's prospect of access to Ægean. It is unlikely, moreover, that M. Stamboliisky, who profoundly mistrusts Turks, would have confidence in [? any] assurances in regard to Western Thrace given in return for the [? small] [assistance] which komitaji could afford.

My French colleague informs me that negotiations are proceeding at Lausanne between M. Venizelos and Bulgarian [? delegate] [? on] [? solution of] outlet question on basis of recent [group undecypherable] in London, which Bulgarian Government are now disposed to accept, and I learn from another source that Bulgarian Government are much [? perturbed] at suggested cession to Turkey of Karagatch and triangle [? as] [? belonging] [? theoretically] [two groups undecypherable].

(Sent to Lausanne, No. 3; repeated to Athens and Constantinople.)

No. 335.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 26.)

No. 207.)
(Telegraphic.) R. *Athens, May 26, 1923.*

MY telegram No. 206.

Head of Political Bureau has just called and read out to me message of which following is a translation:

"After receipt of British message, Greek Government decided to exhaust every effort for peace and to instruct Greek delegation at Lausanne that if they are convinced that there is the slightest chance of settling Græco-Turkish question in

pacific sense they are to remain until Monday night, in spite of fact that Greek Government are convinced that Turks do not intend to make peace, but are only dragging out discussion so as to gain time for military preparations."

I thanked M. Politis for message, which he said had already been telegraphed to Greek delegation.

(Repeated to Lausanne.)

No. 336.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 26.)

(No. 315. Private and Secret.)
(Telegraphic.) *Constantinople, May 26, 1923.*

REOUF telegraphed urgently yesterday that Cabinet, under presidency of Mustapha Kemal, took following decision:—

If any sacrifice is made in Greek reparations questions this must conduce to attainment of peace by settlement of outstanding important questions in favour of Turks.

Question of interest on public debt, early evacuation of occupied areas, judicial régime and compensation of Allied companies should be coupled with that of Greek reparations, and only in the event of settlement of these questions in favour of Turkey being guaranteed could a sacrifice be made in regard to reparations.

Council of Ministers, convinced that protracted negotiations could not give Turkey a good peace, which can only be attained in manner proposed, instructs Ismet to make this final proposal to conference reporting result.

(Repeated to Lausanne, No. 126.)

No. 337

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 26.)

(No. 111.)
(Telegraphic.) R. *Lausanne, May 26, 1923.*

CONSTANTINOPLE telegram No. 307.

Reouf's complaint regarding alleged reopening of settled questions is unjustified.

It is true that propsal to maintain right of cabotage proviso in favour of Allied lines was put forward at late stage of earlier conference, but it formed part of Allied proposals which had been discussed before 31st January, and were embodied in draft of that date. In sustaining proposal now we are in no way reopening any settled questions. Question of the wood cut for British forces is not, strictly speaking, a treaty question at all. Position is that difference exists between Turkish Government and British military authorities regarding liability of certain contractors for forest dues. Turkish Government has sued contractors and made various other claims against them. As contractors will be left behind when Allied forces evacuate Constantinople it is obviously necessary that question should be settled before evacuation. I have pointed this out to Ismet and have asked that Turkish authorities at Constantinople should be instructed to review the whole of the questions at issue with General Harington in order that they may be settled amicably at once and may not create difficulty at the time of evacuation.

Question of dues is important owing to magnitude of sums claimed through contractors.

(Repeated to Constantinople.)

No. 338.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 28.)

No. 113.) [By Bag.]
(Telegraphic.) *Lausanne, May 26, 1923.*

THE First Committee met this morning and made distinct progress with outstanding questions. The following is summary of proceedings:

Article 3 (1) *of Draft Treaty.*

I asked whether the French and Turkish delegations had reached a settlement. General Pellé said that he had had a conversation with Ismet Pasha last evening, but that an agreement had not yet been arrived at. From recent information I gather that the Turks are no longer likely to insist on reference being made to the Franklin-Bouillon Agreement in this and article 16, but they are still worried by the fact that the French Government has not ratified it as an independent instrument, and that this is the real difficulty at present.

Article 3 (2).

I asked whether the Turkish delegation had any answer regarding the period to be indicated for the negotiations between Great Britain and Turkey. Riza Nour Bey, who in the absence of Ismet Pasha was the principal Turkish delegate present, said that no answer had been received from Angora, but that an answer might possibly arrive to-morrow.

Articles 20 *and* 25.

The Italian and Turkish delegations had agreed on a wording of article 20 (see my despatch No. 81 of 23rd May). In view of this, the Italians were prepared to withdraw their reservation regarding the second paragraph of article 25, which the Drafting Committee proposed some time ago to word as follows:

"Il demeure entendu qu'il n'est pas porté atteinte aux attributions spirituelles des autorités religieuses musulmanes."

As the British and French delegations had already accepted this wording, I hoped to finish with both articles to-day. The Turkish delegation, however, scented a possible contradiction between the new wording of article 20 and the proposed wording of paragraph 2 of article 25 as given above. They were anxious that the latter should be modified so as to state that the present treaty did not affect the spiritual attributions of the Moslem religious authorities. It was pointed out that this might materially affect the sense of article 25 taken by itself. The jurists, on being consulted, suggested that the difficulty might be got over by prefacing the new text of article 20 by the words "without prejudice to the stipulations of article 25." The Italians demurred to this, but eventually agreed that article 20 might be completed by some other words, making it clear that, as regards spiritual jurisdiction, Lybia was in no different position from any other country. The article was referred back to the jurists to devise a suitable formula.

Article 27.

The Turkish, French and Italian delegations having failed to agree about this, the dispute regarding the proposed Turkish addition to the Allied draft had been discussed in a small sub-committee, in which my representative played the part of mediator. The sub-committee suggested the following paragraph to take the place of the 3rd paragraph which the Turks wished to insert:—

"Les dispositions du présent article ne préjugent pas de la nationalité des personnes originaires de Tunisie, de Lybie et du Maroc établies en Turquie."

The effect of this is to shelve the outstanding dispute between the Turks and the French and Italians respectively, regarding a number of persons living in Turkey whom the French and Italians claim as subjects. Under the proposal of the sub committee these disputes will fall to be settled by ordinary means after the conclusion of peace. The committee adopted the proposal after General Pellé and M. Montagna

had made it clear that they reserved the right to discuss these questions in due course. General Pellé pointing out, as regards Lybians and Tunisians, that existing conventions no longer met the case. Riza Nour Bey agreed.

Articles 154 *and* 155.

The draft article proposed by the jurists (see my despatch No. 98 of 26th May) to take the place of these two articles was adopted.

First of the Three Additional Articles proposed by Turks after Article 159.

As there was some uncertainty as to how this had been left after M. Venizelos had offered to discuss the question as among experts, I proposed that a special sub committee should deal with the matter, both in regard to Wakfs in Greece and Wakfs in the Dodecanese, regarding which the Italians are prepared to give the Turks satisfaction.

Third of the Three Additional Articles proposed by the Turks after Article 159.

A draft declaration to be made by the Greek delegation in place of the Turkish article had been agreed upon between the Turkish and Greek experts under the auspices of Mr. Ryan. Riza Nour Bey and M. Venizelos having expressed their readiness to accept this draft, the committee noted the fact that an agreement had been reached. A copy of the draft declaration in its final form follows in my despatch No. 97 of 26th May.

We then passed to the Convention concerning the Régime for Foreigners (see my despatches Nos. 86, 91 and 95 of 24th and 26th May, enclosing the texts agreed upon by the jurists and economic experts and the jurists' notes thereon). It was agreed to take parts 1 and 3 as read and only to discuss the points arising on the jurists' notes or any other points which particular delegations might have to raise. Mr. Ochiai said that he had one point to raise, but would do so later. The result of the discussion of the points raised in the jurists' notes was as follows:

Article 1.

The addition proposed in the jurists' note of 25th May was agreed to, after Riza Nour Bey had asked whether Turkish subjects in Tunis, Lybia, &c., would receive similar treatment to that assured to Tunisians, Lybians, &c., in Turkey by article 25, and had received satisfactory assurances from General Pellé and M. Montagna.

Article 4

After some discussion, Riza Nour accepted 1st January, 1923, as the date before which rights acquired by foreigners in Turkey in the matters dealt with in that article are to be respected by the Turks.

Article 5

Signor Montagna pressed the Turks to agree that the article should be drafted to cover "personnes morales." He pointed out that his Government attached particular importance to the continuance in Turkey of Italian humanitarian and cultural associations. The Turkish delegation explained that existing law in Turkey did not differentiate between Turkish and foreign associations, and was such as to protect the freedom of all foreign associations at present existing in Turkey which did not offend public order. Riza Nour also assured Signor Montagna that there was no present intention of the Turkish Government to change the law or interfere with the functioning of these associations, but that, of course, he could not tie his Government down in principle not to modify their own legislation. Signor Montagna accepted these declarations as satisfactory and waived his demand for the proposed addition to the article.

Article 20.

After discussion, during which the Allies pressed for ten years' duration of the convention and the Turks demanded five years, Riza Nour promised to consider whether a compromise of seven years or a re draft of the article whereby, in return for a five years' duration, the convention could only be denounced after preliminary notice, dating from the end of the five years, and running for eighteen months or two years, had been given could be accepted by his Government.

Article 25 of the Allied Draft of 31st January.

After some discussion, during which I hinted that the Allies might be content if the right to adhere was given to those Powers which had fought with the Allies in the Great War and were mentioned in article 159 of the main treaty, and not, as in the above article, to any third Power, and after Riza Nour had demurred to any clause in the convention allowing third parties to adhere, it was agreed to reserve further discussion on the point until the next meeting of my committee.

It is hoped that the jurists may have found a method whereby Turkey will accept under article 159 the adherence to the financial and economic clauses in the main treaty of Portugal, Belgium, and possibly Poland and Czechoslovakia. The Turks are unable to give a final reply on that point until the drafting of the economic and financial clauses is complete. If they accept such a solution they may also agree to insert an article in the Convention for Foreigners enabling the same Powers to adhere to that convention.

I announced that I would have a final meeting of my committee next week to conclude discussion, if possible, on the points left over by my committee to-day and on articles 3, 16, 35 (as to which I am still awaiting a reply from the Colonial Office to my telegram No. 83 of 19th May), 152, 153, 156, 157 (as to which I am awaiting reply from Admiralty to my telegram No. 92 of 22nd May), and the Amnesty Declaration, on most of which agreement is in sight.

The Third Committee will meet on Monday morning to take the reports of the economic experts on article 82 (e), chapter 2, of the Convention for Foreigners and on the Commercial Convention. The experts are more or less agreed on both the latter except as regards the article relating to cabotage in the Commercial Convention

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No. 339.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 26.)

(No. 114.)
(Telegraphic.) R. *Lausanne, May 26, 1923.*

AT a private meeting this afternoon between heads of Allied delegations, Ismet and M. Veniselos, a settlement of Græco-Turkish reparations question was reached on following basis:—

1. Greece recognises in principle that she ought to pay an indemnity for actions of Greek army in Asia Minor which were contrary to laws of war, Turkey on her side renouncing a money indemnity in consideration of financial position of Greece.

2. Rectification of frontier of Karagatch.

3. Mutual restitution by Turkey and Greece of prizes of war taken since Armistice of Mudros.

Serbian delegate read a declaration by his Government objecting to proposed cession of Karagatch on the ground that an extension of Turkish frontier beyond Maritza might lead to complications and would place a further hindrance in the way of Bulgaria's access to Ægean. Declaration added that Serb-Croat-Slovene Government would not, however, push their objection to the point of its becoming an obstacle to peace.

Best tone prevailed throughout meeting, and everybody felt that in arriving at a settlement of this question a great obstacle to peace had been removed.

My immediately following telegram gives account of meeting.

(Repeated to Athens and Constantinople.)

No. 340.

Sir R. Graham to the Marquess Curzon of Kedleston.—(Received May 26.)

(No. 101.)
(Telegraphic.) R. *Rome, May 26, 1923.*

YOUR telegrams Nos. 151 and 153 only reached me at 8·30 last night.

I made urgent representations to President of the Council at once, and am informed this morning by Secretary-General of Ministry for Foreign Affairs that telegram was sent last night to Signor Montagna, and has been confirmed by telephone

to-day, instructing him to agree to renounce Italian claim on Turkish reparations. Secretary-General adds that Italian Government takes note of undertaking of His Majesty's Government to hand over 846,000*l.* of Turkish Treasury bills for reparations pool, leaving distribution of sum available for subsequent settlement amongst Allies.

(Repeated to Athens, Constantinople and Lausanne.)

No. 341.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 173. Confidential.)
(Telegraphic.) *Foreign Office, May 26, 1923.*

YOUR telegram No. 305 of 23rd May: Transport of Turkish soldiers in Allied vessels.

Instructions to Smyrna in your telegram No. 31 reported in your telegram No. 264 of 2nd May seem sufficient, and you may tell your French colleague so. You may add that question has been taken up in London by French Ambassador and is now being examined.

(For your own information.)

Our reply will probably be based on opinion of legal adviser, which is that armistice provides no legal justification for actually capturing ships transporting Turkish troops; this would be only method of preventing transport of reinforcements if your instructions to Smyrna are not effective. But before answering, we are waiting to hear from Admiralty whether any measures adopted by Allied admirals at Constantinople or action by His Majesty's ships during the past four years affect the question in any way.

No. 342.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 39.)
(Telegraphic.) *Foreign Office, May 26, 1923.*

YOUR telegram No. 91 of 22nd May: Serbian Minister's conversation with Ismet.

Serbian Minister spoke wisely, and his words may have considerable effect. You will, no doubt, consider desirability of Allied delegates thanking him if this has not already been done.

No. 343.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 27.)

(No. 209.)
(Telegraphic.) R. *Athens, May 26, 1923.*

MY telegram No. 195.

French Minister tells me that he is authorised, should he consider situation should justify it, to convey to Greek Government message similar to that contained in penultimate paragraph of your telegram No. 77. He has hitherto not done so.

Prime Minister told French Minister to-day what has already been said before, that retirement of Greek delegation from Lausanne would not necessarily mean war.

(Sent to Lausanne; repeated to Constantinople.)

No. 344.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 27.)

(No. 316.)
(Telegraphic.) *Constantinople, May 26, 1923.*

MY telegram No. 305.

Following telegram received from consul-general, Smyrna:—

"(No. 41.)

"Your telegram of 23rd May and my despatch No. 67.

"Enquired from my Italian colleague. I have decided, unless instructed otherwise, to prevent transport of troops in British ships, since it appears that men recently sent to Mersina in Italian ships were in good condition and that suspiciously large numbers remain to be shipped."

I have approved.

No. 345.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 27.)

(No. 317 Personal and Secret.)
(Telegraphic.) *Constantinople, May 26, 1923.*

MY telegram No. 315.

In a further telegram, signed by Reouf and Mustapha Kemal, Ismet is begged not to insist on sacrificing reparation demands and to withdraw his threat of resignation.

They add: "So long as Allies have not decided unfavourably on vital issues connected with our independence, they cannot by allowing the Greek army to take action, commit themselves to participation in war arising out of our firm attitude on Greek reparations question. Should they, however, finally decide these questions against us, Greek army would be able to take action in more favourable conditions in order to force on us more important issues, such as the evacuation of Constantinople, current debt and judicial régime. The difference is that our position might then be weaker.

"It would not be in our interests to yield to Greeks on question of reparations in order to prevent them from withdrawing from the conference. Such action would have no meaning unless Allied delegates follow suit. If their withdrawal be followed by a resumption of hostilities there are certain points which Allies must explain. If in face of such a threat we were to yield on an isolated question, such action might be taken as calculated to delay peace. [Group undecypherable] please ask Allies to settle principal questions."

Portions of telegram are somewhat obscure.
(Repeated to Lausanne, No. 127.)

No. 346.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 28.)

(No. 115.) [By Bag.]
(Telegraphic.) *Lausanne, May 26, 1923.*

MY immediately preceding telegram.

At the meeting this afternoon, General Pellé reviewed the successive proposals put forward by the Allies or by M. Veniselos for the settlement of the Græco-Turkish reparations question. These had culminated in the proposal that Greece should cede Karagatch to Turkey in return for a complete waiver by the latter of any indemnity. General Pellé dwelt on the efforts which the three delegates of the inviting Powers had made in interviews with Ismet Pasha and M. Veniselos to bring about a peaceful

solution of this question, which at the present moment constituted a menace to the peace of the Balkans. He added that if war were resumed in the Balkans there was no knowing how far the conflagration would spread.

I followed by stating that I had been convinced by my recent interviews with Ismet Pasha and M. Veniselos that both were sincerely desirous of arriving at a peaceful solution, and that if they were left to themselves by their Governments they would reach a solution. I said very pointedly that my further remarks were meant for their Governments, and especially for the Turkish Government, rather than for Ismet Pasha. I then said that the indemnity question might be considered from a practical and a moral point of view. The practical point of view was that Greece had no money and could not pay an indemnity, and it was therefore useless to ask for something one could not get. I instanced the cases of Austria, Hungary and Bulgaria. Austria, so far from paying reparation, had had to be assisted by a loan; Hungary was trying to obtain a loan; whilst the figure which had been fixed for Bulgarian reparations had been drastically cut down.

As regards the moral side of the question, I said that Turkey's case did not stand by itself. Other countries had been devastated and had received nothing. If the Turks objected that they had not devastated Allied countries, I would point out that by entering the war against the Allies they had caused enormous devastations of human lives, which were more valuable to us than houses and fields. I added that an agricultural country quickly recovered from the effects of war, and that nothing was more striking in this respect than the recovery of Serbia, which was practically due to her own efforts. The Turkish peasantry would soon restore the devastated portions of Anatolia. I dwelt on the urgency of settling this question, and I appealed to Ismet to accept the solution now proposed to him.

The Italian delegate made an impassioned, if somewhat theatrical, appeal to the Turks on behalf of humanity and, as he expressed it, of the millions of beings who were awaiting the settlement of this question. The American observer read a statement to the effect that, whilst his Government were not so interested as Europe in the question at issue, they felt that peace was vitally necessary in the interests of the two countries, which were starting on the work of reconstruction after years of warfare. The Serbian and Roumanian delegates made statements in which they developed the line of argument I had used, and the former read the declaration reported in my immediately preceding telegram.

Ismet Pasha, who looked very ill and who was evidently deeply impressed by a sense of responsibility, then proceeded to try to elucidate the exact scope of the solution which had been proposed for the settlement of the question. He pointed out that the renunciation by Turkey of an indemnity for Greece would have a repercussion on the financial situation of Turkey, and in this connection he expressed the hope that the Allies would bear that aspect of the matter in mind. He went on to review the present position of the work of the conference, and expressed the opinion that the outstanding questions between Turkey and the Allies could be settled in two or three days. It would then be possible to settle the Græco-Turkish indemnity question. Upon this General Pellé at once stated the reasons for which an immediate decision with regard to the indemnity question was imperative. He asked Ismet point-blank whether the latter had had an answer from Angora about the Karagatch proposal. Ismet replied in the affirmative. It was then evident to the whole meeting that Ismet had decided to accept the proposal, but before actually coming out into the open he raised one or two further points besides the three conditions mentioned in my telegram No. 114.

He said that he assumed that the Allies stood by their agreement to drop the claim for reparations against Turkey. We had foreseen this question, and, as the Italian delegate had not received instructions to drop the demand for reparations, I had agreed with General Pellé that he should tell Ismet Pasha that the latter could have confidence in the Allies on this point. This satisfied Ismet Pasha, who then said that in dropping his demand for reparations from Greece he assumed that Turkey would not be held responsible for damage caused by the Greek army or by the action of the Greek authorities to Turkish companies with Allied capital. He meant by this companies like the Smyrna–Aidin and Smyrna–Cassaba Railway Companies. There was no difficulty in giving him this assurance. Finally, having obviously in his mind the question of the currency in which the interest on the Turkish debt is to be paid, he said that as Turkey had consented to take the financial position of Greece into account he hoped that the Allies would do the same for Turkey.

By this time the meeting was under the impression of the relief felt at the settlement of this difficult question, and complete harmony was shown between Ismet Pasha and M. Venizelos. The meeting, which had begun on a serious note, ended in an expression of friendly sentiments all round and of mutual congratulations. Both Ismet Pasha and M. Venizelos thanked the delegates of the inviting Powers for their mediation.

No. 347.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 27.)

(No. 116.)
(Telegraphic.) *Lausanne, May 26, 1923.*

MY telegram No. 114.

Ismet raised the question of Allied reparations in the course of meeting. He assumed that Allies maintained their waiver. General Pellé, thanks to his own action at Paris and your Lordship's action on my telegrams of 24th May, was fortunately able to say enough to reassure Ismet as to our intentions without saying in so many words (for Signor Montagna is still without instructions) that Allies would make no further demand.

I am most grateful to you for having acted so promptly, as it has not only facilitated our task to-day, but will enable settlement of both questions to be recorded at official sitting of conference at a very early date, probably on Monday.

No. 348.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 28.)

(No. 118.) [By Bag.]
(Telegraphic.) *Lausanne, May 26, 1923.*

YOUR telegram No. 36 of 25th May: Future procedure at conference.

Of the four outstanding questions named in your telegram, (1) (Turkish reparations) may, I think, be regarded as settled, as the Italians have now received the requisite instructions.

(4) (Greek reparations) has, I trust, been settled this afternoon (see my separate telegrams on this subject). I have telegraphed separately regarding our policy at Constantinople in the event, now, I hope, remote, of hostilities breaking out between Greece and Turkey. I would have advised that Allied delegations should continue to endeavour to sign peace here with Turkey, even if Greek delegation had withdrawn, although it would be difficult to foresee international reactions which might follow Græco-Turkish hostilities in Europe or therefore to forecast chances of success of Allied negotiations with Turkey pursued here in such circumstances.

(2) (Concessions). Nature of reports, which I have asked Mr. Henderson to send me, and which I am still awaiting, regarding progress of negotiations at Angora, should enable me to advise your Lordship at the proper moment whether we should open negotiations here with Turks for embodiment in treaty of something like present concession clauses, or whether we should adopt suggestion made in my telegram No. 106 of 26th May of a declaration by Turkey to be annexed to the treaty as signed, setting forth in more general terms how negotiations will be continued and concluded with companies after the signature of the treaty. I believe Turks are likely to accept generally principles of maintenance, prolongation and, in some cases, re-adaptation of concessions. I am more doubtful regarding compensation to companies under article 80 and treatment of French 1914 inchoate concession agreement

(3) Régime for Foreigners (Judicial Declaration). In accordance with Ismet's promise, Munir Bey has discussed this privately with British and French jurists. They found him prepared to consider minor differences between Montagna formula and Allied draft of 3rd May. He was immovable on question of arrests, searches and domiciliary visits. I agree that there is practically no chance of Turkish surrender on this point. It is of great importance, but I do not feel that we should be justified in breaking conference on it should it remain only obstacle to peace. We are undoubtedly asking for something inconsistent with judicial practice of civilised countries, and few people outside Turkey realise cogency of reasons for demanding it.

I myself, strongly as I feel about it, cannot regard the safeguards which our formula would provide so valuable or so essential as to make it worth while to destroy chances of peace for sake of them; nor do I think that Allies or United States of America would support us in doing so. Best indication of probable attitude of former is that both French and Italians did accept Montagna formula in February in vain hope of preventing rupture. My view is that we should now leave question alone until last round, but that we should then be prepared to compromise on basis of getting satisfaction on minor differences between two formulæ and contenting ourselves with provision that legal counsellors shall have power to set law in motion against officials responsible for arrests, &c., which they consider arbitrary.

I fear that another question which may remain outstanding until the end is that of the payment of the interest on pre-war Turkish loans in paper francs, which is now the chief outstanding matter in the financial clauses. Turkey will have to find roughly 5,000,000*l.*. a year for the service of these loans, if the coupons are paid in sterling according to the loan contracts, and about 1,700,000*l.* if they are paid in francs, and therefore the question is of great importance to them. There are indications that they consider the demand for payment in sterling as a demand for a kind of disguised indemnity

If possible, the Turks wish that the treaty should definitely empower them to pay in francs for a long period (perhaps ten years). The Allies regard this as absolutely impossible to accept, and I do not think that Ismet will insist upon it.

Failing this, the Turks wish that their position for negotiating with the bondholders after the peace should not be prejudiced by any provisions of the treaty or by the declaration to the Debt Council which we offered to accept in place of article 56, which confirms the loan contracts. Allies have already agreed to suppress the explanatory note to annex 1, which Turkey regards as prejudicial to her negotiations, and have made it clear that they fully recognise Turkey's right to negotiate with her creditors. No doubt, from what Ismet said at this afternoon's meeting, he will consider that in return for waiving his demands on Greece for reparation payments he is entitled to press for very lenient treatment from Allies as regards debt payments. As the bondholders in Paris, however reluctantly, expressed their willingness to negotiate after the peace, I regard as a matter of secondary importance the exact form of words which the Allies allow the Turks to employ in their declaration in order to make it clear that they reserve the right to negotiate after peace with their creditors.

Ismet Pasha suggested to General Pellé this morning that the declaration which Turkey is to make to the bondholders, as drafted in February, should be accompanied by a second declaration taking note of the resolution passed by the bondholders in Paris on 23rd May, and reaffirming the inability of the Turkish Government to pay their coupons in sterling. Probably in the end the Allies will agree to accept some such compromise, though the tenderness of the French Government for their bondholders may form a temporary obstacle.

I believe group of territorial questions (Ada Kaleh, Maritza thalweg, Merkeb Islands and Castelorizo) should be soluable by separate bargain, but Castelorizo may prove more of a stumbling-block than I foresee, especially in view of recent unexpectedly intransigent attitude of Angora as opposed to that of Ismet on certain other questions.

No. 349.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 28.)

(No. 119.) [By Bag.]
(Telegraphic.) *Lausanne, May 26, 1923.*

MY immediately preceding telegram.

Contingency discussed at (4) (*b*) of your telegram No. 36 now seems infinitely less likely than it did this morning. It could now only arise if one of two Governments immediately concerned went back on arrangement to which Ismet Pasha and M. Venizelos have agreed this afternoon. Danger of this happening is, I hope and believe, small, but as it is conceivably possible it may still be useful for your Lordship to have statement of views which I formed this morning.

I had dismissed possibility of Turks denouncing Mudania Convention as outcome of immediate situation. I felt with you that if Greece denounced it our attitude

towards them and Turks respectively would have to depend to large extent on actual circumstances of such denunciation. Should a fresh crisis occur in the near future owing to Governments not honouring the bonds of their delegates here, the two alternative situations will be the same, *i.e.*, either Greece will put herself entirely in the wrong by precipitate action, in which case we shall be justified in weighting our neutrality against her; or the onus will be on the Turks owing to their taking up a wholly unreasonable attitude, in which case we shall have no reason for favouring Turks more than may unfortunately be necessary to avoid embroiling ourselves.

In either case, I should be strongly opposed to evacuation of Constantinople because throughout Asia, though not perhaps in Europe, it would look like consummation of Turkish victory over Allies and still more because we should be abandoning population in circumstances most likely to produce after our departure catastrophe similar to that of Smyrna. It is true that some months ago His Majesty's Government approved of General Harington's proposal to concentrate at Dardanelles if things went wrong here, but at that time what we feared was Turkish attack on our own forces. In contingency now in contemplation such attack would be very unlikely unless, indeed, our neutrality took form so unfavourable to Turks as to make them take risks of attacking us while fighting Greeks.

In my opinion, therefore, we ought to (*a*) remain neutral, and (*b*) stay in Constantinople, but stay there in conditions least likely to provoke Turkish attack on ourselves. It appears to me to follow that (*c*) we ought for our own sakes to refuse passage of Dardanelles to Greek fleet: firstly, because if we did stay in Constantinople we must have safe communications, and hostilities in Straits and Marmora would imperil these; secondly, because our position *vis à vis* of the Turks as occupying portion of their territory would be much more difficult if we gave Greeks free access to internal waters.

Granted these premises, we should presumably not need to make any material alteration in our dispositions on both sides of the Dardanelles, but our position at Constantinople would have to be most carefully reconsidered. We could not use it to prevent contact on land between Greeks and Turks, and to use it in such way as to hamper Turkish military movements seriously would entail danger of quarrel between Turks and ourselves, which it would be our wish to avoid. Three alternatives occur to me, viz., (1) to confine ourselves to restricted neutral zone round Constantinople, say from Stenia to San Stefano as suggested by generals, with or without similar small zone in Asia round southern mouth of Bosphorus, and to deny all passage of troops through that zone or zones; (2) to confine ourselves to such zone or zones and to keep order there, but to allow passage of Turkish troops through them; or (3) to confine ourselves to zone between Golden Horn and Bosphorus, allowing Turks free hand everywhere else.

Disadvantage of (1) would be that we should be depriving Turks of use of one or both of their principal railheads. We should thereby gravely hamper their movements, which, if they decided to defend Chataldja lines, would have to be effected rapidly, and they might be unwilling to tolerate situation. Disadvantage of (2) would be that our neutrality would be highly peculiar, and keeping of order would be extremely difficult. (3) would obviate these objections and would provide definite though congested area in which we could hold on ourselves and protect Christians without interfering with Turks, but I do not know whether it would be militarily feasible. If it were, I should favour it, especially in first alternative contemplated in paragraph 2 above, *i.e.*, if Greeks placed themselves patently in wrong by precipitate action.

While considering above alternatives I received Mr. Henderson's telegram No. 313 to you, according to which French have already decided to evacuate Constantinople should hostilities break out. I cannot reconcile this with statement made this morning by member of French delegation who has just returned from Paris that President of Council had last evening consulted you as to joint Allied action. If report from Constantinople is correct, it does not materially affect my view as stated above unless military considerations would make it impossible for British forces to remain after French had left. On this point I can form no opinion here. From political point of view, I do not think that danger of complications with Turks would be materially increased by British remaining in sole occupation, always provided that conditions of occupation were such as to show that we were not using it to the disadvantage of Turks as against Greeks. This amounts to saying that, if onus of maintaining Allied position in Constantinople devolved on British alone, dis-

advantages of first two of alternatives reviewed in preceding two paragraphs would be aggravated and reasons for preferring third would be strengthened.

Two further considerations of more speculative nature may affect views of His Majesty's Government. Firstly, secret information shows that Refet Pasha considers defence even of Chataldja lines impossible, and has recommended withdrawal to Asia if Greeks attack. If Angora acted on this, problem might be simplified, but I doubt whether Angora would readily reconcile itself to course so humiliating. Secondly, indications up to date have been that Greeks would stop at Chataldja unless Allies authorised further advance. This is all to good, but I do not think we could count on Greeks sticking to it once they had reached Chataldja if they found no serious Turkish resistance ahead. Bitterness against Allies, improbability of latter resisting them by force and lure of Santa Sophia might then draw them further than they have as yet thought of going.

No. 350.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 27.)

(No. 120.)
(Telegraphic.) *Lausanne, May 26, 1923.*

OWING to strain on small cypher staff and having regard to great improvement in immediate situation, I am sending detailed reply to your telegram No. 36 *en clair* by bag this evening in two telegrams, Nos. 118 and 119, which will reach you early on Monday. My broad view is as follows:—

Questions of Allied reparations and Turco-Greek indemnity may now be regarded as out of the way. I hope we may find solution for question of concessions by obtaining suitable declaration from Turks if, as is probable, negotiations at Angora go slowly and Turks nevertheless resist reinsertion in treaty of clauses ensuring proper treatment for companies. For reasons stated in detail in my telegram No. 118, I feel we must be prepared for further concessions at last moment, though not for complete surrender on judicial declaration. Besides these questions, there are two others which may present considerable difficulty, viz., interest on debt and Castelorizo. Although Turks are dissatisfied with the outcome of Hassan's visit to Paris, I hope it may have paved the way for settlement of the former. We shall do our best to get Castelorizo for Italy, but this is in no sense vital to Allied interest.

Conclusion which I draw is that if fresh Greco-Turkish crisis can, as I hope, be avoided, there is no question in dispute on which we ought not to be able to obtain sufficient satisfaction to make signature of peace possible. There is always the danger of mad intransigence at Angora overriding Ismet's strong desire for peace, but upshot of to-day's proceedings makes me less apprehensive of this than I was this morning. Allied interests at stake in three of the above questions, that is, concessions, judicial declaration and debt, are great, but not, in my opinion, so great that we should break on any or all of them if we can get such moderate satisfaction as I am now inclined to hope for.

To sum up, I do not now foresee deadlock as result of Turkish attitude, except in contingency indicated in second sentence of preceding paragraph. I would therefore suggest waiting one week before definite stock-taking and consultation with French and Italian Governments foreshadowed in your telegram No. 36. I hope it may be a week of fruitful progress following on subsidence of the late excitement.

No. 351.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 27.)

(No. 121.)
(Telegraphic.) *Lausanne, May 27, 1923.*

MY telegram No. 120.

Ismet has asked to see me this afternoon.

Information from Constantinople shows that he placed widest possible construction on his instructions yesterday in order to obtain settlement of immediate question with Greece. He did refer in general terms to some of the questions which Reouf links up with that of Greek indemnity, but he did not mention them all or make settlement of latter conditional on that of former. He was content with vague general assurances.

I anticipate that he will endeavour this afternoon to enlist my sympathy with a view to favourable settlement of those other questions. He will certainly revert to evacuation of Constantinople and Dardanelles. If, as I anticipate, ground is cleared of almost all minor questions during next few days, I think we should be prepared for discussion of evacuation towards end of the week. I should like to be able to tell Ismet as soon as possible that such is our intention.

Before actual discussion takes place, it is necessary to decide when we are willing to begin evacuation, and what time should be allowed for its completion.

As regards first of these points, it seems to me that there is no serious objection to Turkish proposal that evacuation should begin as soon as Angora ratifies treaty. I take it that it would suit War Office to expedite it to this extent, and any danger entailed in evacuation before treaty as a whole comes into force would be mitigated by fact that our fleet would still have the run of the Straits until latter event. Technical difficulty could be overcome by providing for evacuation in treaty itself and making clause operative after ratification by Turkey by means of suitable separate instrument.

As regards second point, evacuation of Constantinople would presumably precede that of Dardanelles, but it would be well to fix shortest period reasonably possible for completion of operation, especially first part of it, *i.e.*, evacuation of Constantinople.

If you agree you will doubtless take up question of procedure here with French and Italians in advance of stock-taking and more general consultation mentioned in last paragraph of my telegram under reference.

(Repeated to Paris, Rome and Constantinople.)

[E 5458/6/44] No. 352.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(*Received May 28.*)

(No. 384.)

My Lord, *Athens, May 16, 1923.*

WITH reference to my telegrams Nos. 160, 161 and 163 of the 8th instant, I have the honour to transmit herewith copy of an interesting report from the military attaché to His Majesty's Legation, recording conversations which he recently had with the Chief of the Greek General Staff and with the Head of the Second Bureau of the General Staff.

2. That the situation is grave goes without saying. The rattling of the sword, even though it may be a diplomatic one and intended to impress the Turk and Europe at Lausanne, is not, I think, entirely bluff, though bluff is one of the weapons in the Greek diplomatic armoury. It is felt here that a repetition of the Asia Minor disaster must not occur. Then, it will be remembered, Greece placed her case in the hands of the Allies, who failed to bring about a settlement, and, in spite of the grave warnings addressed to the Powers, the Greek army was left at the front, waiting and hoping in vain, until it collapsed. The *moral* of the army, it is argued, will never be better than it is to-day. If the troops have to wait on indefinitely at the front whilst the Turks employ their usual procrastinating methods of diplomacy, the events of last September may repeat themselves and be followed by another collapse. If Greece has to die in any case, it is frequently argued, she will choose her own form of death and die fighting rather than expire by slow degrees owing to a prolongation of the present situation. Whether, indeed, to fight means to die is a matter of opinion. According to General Pangalos, Colonel Plastiras and the naval commander-in-chief, Captain Hadjikyriakos, it means a glorious victory and the blotting out of the disgrace of the recent defeat. In this connection I may here observe that to day the Greek representative here of the League of Nations told me that Colonel Gauthier, the representative of the Sanitary and Epidemic Section of the League, had just returned from the army headquarters and was enthusiastic about the excellent sanitary arrangements there.

3. As Colonel Spiropoulos truly observed, the Greeks do not want war, but he was convinced that the Turks did not want it either. This opinion is, I know, shared by Colonel Plastiras, who maintains that, knowing how anxious the Powers are to avoid war, Turkey can bluff them, whilst all the time she herself is unable to fight.

4. The Greek fleet, according to the Chief of the Naval General Staff, could easily pass the Dardanelles, provided England did not block the way, and, as things stand at present, it would not be difficult, according to Colonel Plastiras, for the army to reach

at any rate the Chataldja line. This, it is stated, would be easier to defend than the Maritza, and, as an official of the Ministry for Foreign Affairs remarked to me a few days ago, once in occupation of Eastern Thrace, Greece would be able to negotiate on far better terms with Turkey than at present. Possession of Eastern Thrace would, besides, help to solve the all-important refugee problem. It is generally felt that the Great Powers, England and France, for Italy is here ignored, could not look on indifferent in the event of a renewal of hostilities. At the same time, I think M. Politis, Head of the Political Bureau at the Ministry for Foreign Affairs, voiced to me the views of the more level-headed members of the Government when he said yesterday that, in any case, Greece could not risk forfeiting the support and co-operation of England and France, and particularly of England, which she enjoyed at Lausanne.

5. In a statement to the press, upon his return to Salonica after attending the Cabinet meetings at Athens, General Pangalos said that the Greeks had succeeded, by their sacrifices, in creating an incomparable army. Its reorganisation had surpassed anything that could have been foreseen. In a month the present situation would end. The decisions taken at Athens to put an end to it were categorical. No one wanted war, but Greece was so strong that she could not only defeat the enemy in Thrace but strike them in the heart of Asia Minor. He could, he continued, guarantee glorious results if they were driven into war. Parallel with the army, the fleet was only awaiting the signal to do its duty. He thought that the situation would be cleared up at Lausanne within the week, and, if the Turks yielded at once, peace would be signed. But, he added, it would be a peace which would enable the Greek people to lift up their heads once more.

6. There was, the general continued, absolutely no danger to be feared from Bulgaria. She was not in a position to move. Some komitaji bands had already broken up and dispersed. Speaking of Bulgaria, the Prime Minister, a day or two ago, described the Bulgarian Government as apparently being inspired with neighbourly feelings towards Greece.

7. I am forwarding copies of this despatch to Lausanne and Constantinople.

I have, &c.

C. H. BENTINCK.

Enclosure in No. 352.

Colonel Hoare Nairne to Mr. Bentinck.

(Secret.)

Sir, *Athens, May 15, 1923.*

I HAVE the honour to submit a report on two conversations which I have already had with the Chief of the Greek General Staff and with the Head of the Second Bureau of the General Staff.

I sought these conversations mainly to find out whether the expressed views of the General Staff were as warlike as the views put before English visitors by the Minister of War and by Colonel Plastiras.

General Vlachopoulos spoke more gravely than he ever before has spoken to me of Greece's situation. He said that the Lausanne Conference was occupying itself first with various interests of the Great Powers. The discussion of these interests seemed likely to be prolonged, while the Greco-Turkish settlement remained in the background. Greece could not reduce her armed forces until she had peace, and she could not afford to wait indefinitely. It was not only the expense of maintenance which the Chief of the General Staff feared, but the effect of long delay on the troops. He said that to-day the Greek army was in good condition, with excellent *moral*, but that he was far from sure that he would be able to say the same thing in two months' time if no settlement had been reached. He did not contemplate the Greek army acting in defiance of the Great Powers. If the Greek Government announced that they must either have a settlement or reopen the war with Turkey, he could not visualise the Great Powers looking on in indifference with their arms folded. They would be obliged either to forbid Greece to advance or to give their consent.

I asked General Vlachopoulos what reserves or reinforcements he could equip, over and above the present strength of the army, and, if old classes were called up, whether it was proposed to use the additional numbers to reinforce existing formations or to create new formations. He gave me the usual reply, that he was having a state drawn up to ascertain the exact amount of equipment available. Pending its completion, he estimated that 50,000 additional men could be armed and equipped;

if they were called up for service, he proposed to use them to reinforce existing formations and not to create new formations.

But General Vlachopoulos said that there was no present intention to call up additional classes. He did not contemplate a long campaign. Two or three weeks would bring a decision in Thrace. If, for the sake of argument, the Greeks gained possession of Constantinople, he did not for a moment suppose that the Great Powers would let them keep the city. There would be a new and quicker conference, which would make peace on a new basis. Possibly Eastern Thrace would be constituted an autonomous State.

I asked General Vlachopoulos whether he had any clear idea of what Greece would do if, as he had put forward for the sake of argument, her troops succeeded in occupying Eastern Thrace and Constantinople and yet the Turks refused to make peace. Constantinople could not be held by troops solely on the European shore. Would not Greece be running a grave risk of finding herself once more entangled in difficult and costly operations in Asia Minor? General Vlachopoulos said he recognised that there would be risks in a renewal of hostilities, but he thought it would be better for Greece to accept the risks of war than to die morally and financially from an indefinite prolongation of a condition which was neither peace nor war.

Two days later, in the course of other business, I asked the Head of the Second Bureau how he viewed the situation. Colonel Spiropoulos said quite shortly that he believed there would be peace, and soon, because the mass of the Greek people did not want war, and he was convinced that the Turks did not want it either. He emphasised that this was his own personal and entirely unofficial opinion. I asked him whether he thought the troops were against war. His reply was non-committal—that soldiers lived in a special atmosphere and, in any case, they had to do what they were told.

In trying to comment on these conversations, and particularly on General Vlachopoulos's statements, one misses the additional light which, in normal conditions, might be gained from similar communications from the Minister of War or army commander.

General Vlachopoulos gave me the impression of not finding his line of argument entirely convincing, even to himself. I suspect that he was putting forward the official Government story rather than his own military views. The Greek Government have almost certainly been influenced by General Pangalos during his recent visit to Athens. Colonel Plastiras had already associated himself with General Pangalos in their joint visit to Volo and to the front. These two would easily dominate the Minister of War, General Mavromichaelis. The President of the Council, Colonel Gonatas, is generally credited with having some character and with using it in the direction of moderation. His apparently ready acquiescence in the warlike declarations of the Chief of the Revolution and of the army commander may be held to encourage the view that the war threats are more of a diplomatic than of a military nature.

We foreigners are perhaps intended to attach a greater or a different importance to the revolutionary leaders' polemics than some of their own countrymen give them. There is a Greek proverb to the effect that it is not the barking dog who is dangerous. More than one educated Greek has lately remarked to me, or to my friends, that bluff was a useful weapon, and that the threats we have recently been hearing were bluff.

I agree with Colonel Spiropoulos in believing that the majority of the Greek people want peace and not war. Even those individuals who profess to want war only want it in conditions which they hope would give Greece and themselves the benefits of success, while safeguarding them against the evil results of possible failure. That is, with the support of at least Great Britain.

I have, &c.
E. S. HOARE NAIRNE, *Colonel*,
Military Attaché.

[E 5472/194/44] No. 353.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received May 28.*)

(No. 299.)
My Lord, *Constantinople, May 17, 1923.*

I HAVE the honour to transmit herewith a copy of a translation, prepared by His Majesty's consul-general at Constantinople, of the present Turkish law on abandoned property. This text supersedes the French version extracted from the local press and

enclosed in my despatch No. 245 of the 23rd April, the translation of which has proved, on examination of the Turkish text now published in the "Official Gazette" of the Constantinople vilayet, to be inaccurate and misleading. Copies are likewise enclosed of translations of the Turkish law of the 13th September, 1915, which is modified, and of that of the 20th April, 1922, which is repealed by the present law.

2. Among the points of detail dealt with under the new law, your Lordship will observe that the law of 1915 has been so amended that the balance remaining after liquidation of Vakouf and real properties will be retained in the Public Treasury instead of being handed back to owners. It is also provided that transfers of abandoned property will only be recognised if the legal formalities attendant on such transfers were completed not less that thirty days before the flight of the former owners, while small but quite inadequate extensions have been made in the time limits within which interested parties may register claims to abandoned property or in respect of debts due by its owners.

3. The chief importance of the new law lies, however, in the fact that, whereas the law of 1915 provided only for the liquidation of the property of deportees, power is now taken to dispose of the property of all persons who for any reason have left Turkey, or have even come to Constantinople itself. The reference to Constantinople in paragraph 6 might be construed as suggesting that the law would not apply to persons who have left Constantinople, but that such is not the case is proved by the fact that an Abandoned Property Commission has been formed and is already at work here, while Adnan Bey has on several occasions hinted that the liquidation of the branches of the Bank of Athens in Constantinople would be carried out in accordance with the provisions of this law. There is also little doubt that the refusal, contrary in the case of Ottoman Greeks to the spirit of the Græco-Turkish Convention signed at Lausanne on the 30th January last, of the Turkish authorities to permit the return to Constantinople of those Ottoman subjects who left last autumn without Turkish passports, is chiefly prompted by the desire to secure additional funds for the Public Treasury by the confiscation of their properties.

4. Further, as this law will remain in force after the conclusion of peace, and as, in the opinion of the Allied Juridical Commission, its provisions could be applied to foreigners as well as to Turkish subjects who have left Turkey, it appears to me desirable that steps should be taken at Lausanne to secure that Allied subjects, as well as Ottoman Greek natives of Constantinople whose case is covered by the Turco-Greek Convention, should be exempted from this law, which is, moreover, typical of the legislation to which Allied subjects in Turkey are likely to be exposed after the conclusion of peace.

5. As an example of the operation of the present law, I venture to call your Lordship's attention to Mr. Waugh's despatch No. 48 of the 15th May, a copy of which, as of this despatch, has gone to Sir Horace Rumbold.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

Enclosure 1 in No. 353.

(Traduction.)

Règlement du 26 Octobre 1331/1915 relatif au Mode d'Exécution de la Loi provisoire du 13 Septembre 1331/1915 sur les Commissions de Liquidation des Biens laissés par les Déportés et leurs Attributions.

CHAPITRE I.—*Immeubles.*

ARTICLE 1er. Le lendemain du jour de la publication officielle du présent règlement, le plus haut fonctionnaire administratif du caza où sont situés les immeubles appartenants aux personnes déportées, constituera une commission qui sera présidée par le plus haut fonctionnaire financier de la localité et composée des agents du fisc, du cadastre, de l'état civil et de l'Evkaf s'il y en a. Ladite commission devra tout d'abord dresser d'après les registres du cadastre les listes des mutations effectuées par lesdites personnes soit dans les quinze jours qui précèdent leur déportation, soit après la signification de l'ordre de déportation et les remettre, après les avoir signées, à la Commission de Liquidation.

La date de la déportation est le premier jour où l'ordre y relatif a été donné; il sera constaté par un acte écrit et émanant du plus haut fonctionnaire de la localité et sera légalisé par lui.

Art. 2. A la fin des opérations dont il est fait mention à l'article 1er, ladite commission dressera d'urgence et d'après les registres du cadastre et du fisc la liste, en deux exemplaires, des immeubles vakoufs de la catégorie dite " Idjaré-Teinli," bâtis et non bâtis, et des autres biens fonciers appartenant aux personnes soit réelles, soit morales, telles que les sociétés, communautés et établissements philanthropiques qui ont, en vertu de la loi provisoire du 16 février 1328/1912, le droit de posséder des immeubles. Chaque liste contiendra le nom de la rue ou de l'emplacement, le numéro de l'immeuble et celui du recensement fixé et le prix estimatif, ainsi que la part de chaque propriétaire, s'il y en a plusieurs, l'état actuel de l'immeuble et les noms des propriétaires.

S'il s'agit de dresser la liste des villages qui ont été entièrement évacués par suite de la déportation de tous les habitants, on se basera sur les registres originaux de l'impôt. On s'informera aussi auprès des commis et des percepteurs (tahsildars) des villages en cas de besoin, ainsi qu'auprès des personnes âgées et dignes de foi habitant les villages environnants.

Art. 3. Les listes dressées conformément à l'article précédent seront signées par les membres composant lesdites commissions, une copie sera transmise aux conseils administratifs afin d'être examinée et l'autre copie sera remise au bureau du cadastre pour que les intéressés en prennent connaissance.

Les conseils administratifs évalueront conformément au mode en vigueur pour l'estimation de la valeur des biens tombés en déshérence, les immeubles bâtis et les terrains qui figurent sur les listes qu'ils auront approuvées après les avoir examinées. Ils inscriront leurs décisions au bas des listes et les transmettront à l'agent du fisc ou de l'Evkaf. Une copie légalisée sera transmise à la Commission de Liquidation.

Art. 4. Il ne sera pas perçu de taxe ni de droit pour tous les enregistrements et transcriptions qui seront soit directement, soit sur décision judiciaire, opérés au nom des caisses du Trésor et de l'Evkaf conformément à la loi du 13 septembre 1331/1915.

Chapitre II.—*Mode de Constitution des Commissions et leurs Devoirs et Attributions.*

Art. 5. Il sera formé dans les localités désignées conjointement par les Ministres de l'Intérieur et de la Justice des commissions chargées des fonctions prévues par la loi du 13 septembre 1331/1915. Chaque commission est composée d'un président nommé par le Ministère de l'Intérieur et de deux membres nommés chacun par le Ministère de la Justice et des Finances. Dans les localités où les affaires sont nombreuses et importantes, les Ministères des Finances et de l'Intérieur pourront au besoin nommer chacun en plus un membre.

Art. 6. Les présidents des commissions ont la faculté d'engager et d'employer autant de secrétaires et de commis que comporte le service, mais qui ne pourront toutefois s'immiscer dans les questions de liquidation.

Art. 7. Les Commissions de Liquidation les plus proches des localités où par suite du petit nombre d'affaires une commission spéciale n'aurait pas été constituée, seront chargées de pourvoir aux opérations de liquidation de ces localités et de dresser les mazbatas y relatifs. La commission peut par l'entremise de son président charger une ou plusieurs personnes de faire desdites opérations, excepté toutefois celles qui ont trait à l'examen et à la vérification des dettes. Les mazbatas de liquidation seront, conformément à l'article 5 de la loi du 13 septembre 1331/1915, enregistrés par les tribunaux civils dont relève le domicile légal du déporté.

Art. 8. Les présidents des commissions recevront une indemnité journalière d'une livre et demie et les membres une livre. La commission fixera l'indemnité journalière qui sera servie à ceux qui en vertu de l'article précédent remplaceront le président et qui ne devra pas dépasser une demi-livre, ainsi que l'indemnité journalière des autres commis et secrétaires, qui ne sera pas supérieure à 40 piastres.

Art. 9. La commission est, entre autres, chargée d'assurer l'exécution complète et régulière des fonctions légales et réglementaires de la commission, de distribuer les affaires entre les membres selon leur compétence, d'enregistrer et de donner au besoin des récépissés pour les questions qui ont besoin d'être consignées par écrit.

Art. 10. La commission prend les décisions nécessaires au sujet de la réunion, de la revendication et de l'encaissement de l'argent, des biens mobiliers, dépôts, consignations et créances des déportés, intente au besoin les procès jugés nécessaires, vend aux enchères les biens qui ne sont pas en litige et s'occupe de toutes les questions qui rentrent dans ses attributions. Les décisions de la commission sont mises en exécution conformément à l'article 3 de la loi du 13 septembre par le président lui-même ou par un des membres

chargés à cet effet par un tezkéré ou par une personne en dehors de la commission en vertu d'une procuration émanant du président lui-même.

Art. 11. Toute opération faite par les corps constitués par le Gouvernement avant la mise en vigueur de la présente loi et toutes les pièces rédigées par eux seront transmises aux commissions de liquidation. Si parmi les pièces transmises il existe des demandes en recouvrement des créances sur les déportés ou des réclamations en revendication sur les biens laissés par eux, elles seront admises et le nécessaire sera fait après avoir pourvu aux erreurs dont ces demandes sont susceptibles et accompli les formalités y relatives conformément aux dispositions de l'article suivant.

Art. 12. Ceux qui formulent réclamations de créances sur les déportés sont tenus de présenter au président de la commission une demande à laquelle ils joindront les pièces justificatives y afférentes, ainsi que l'acte de procuration dans le cas où la demande serait présentée par un intermédiaire; ils devront y indiquer la profession du déporté, son domicile légal avant sa déportation et la cause de la dette; le demandeur devra aussi indiquer sa propre adresse. Il sera remis au demandeur un récépissé revêtu du sceau de la commission et portant les noms du créancier et du débiteur, le montant de la créance, le nombre et la désignation des pièces y jointes.

Toute personne qui revendique les biens, soit meubles, soit immeubles laissés par les déportés, s'adressera au tribunal après avoir présenté à la commission sa revendication et obtenu une pièce attestant son recours. Afin de profiter des délais stipulés à l'article 4 de la loi du 13 septembre 1915, le demandeur et le défendeur peuvent adresser les détails et les renseignements concernant leur réclamation par télégramme aux commissions dont relève le domicile du déporté. Il faut cependant, pour pouvoir profiter des droits accordés par ladite loi, avoir, préalablement à la liquidation du compte du débiteur en cause par la commission *ad hoc*, présenté à celle-ci les pièces et effets y relatifs et fait enregistrer et approuver sa créance conformément aux dispositions des paragraphes précédents.

Art. 13. Les commissions qui seront instituées auront les attributions et exerceront les fonctions suivantes:

1. Faire les enquêtes au sujet des mutations mentionnées dans les listes remises conformément à l'article 1er et se faire remettre et examiner au besoin les pièces justificatives; s'adresser au tribunal pour obtenir l'annulation des opérations effectuées en vertu d'un acte fictif où il y aurait eu vente à un prix frauduleusement moindre.
2. Prendre livraison des fonds et des marchandises appartenant aux déportés et qui étaient gardés par le Gouvernement, ainsi que de tous les autres biens desdits déportés.
3. S'adresser aux particuliers, banques et autres établissements financiers pour demander les comptes des fonds et biens laissés par les déportés, se faire restituer et délivrer les biens qui ne seraient pas laissés en gage et faire le nécessaire conformément aux dispositions générales légales pour les biens laissés en nantissement.
4. S'adresser aux tribunaux compétents et demander en vertu des dispositions du premier alinéa de l'article 7 de la loi du 13 septembre 1915, la levée des saisies qui auraient été précédemment pratiquées.
5. Faire toutes les recherches et enquêtes nécessaires par tous les moyens possibles; examiner les pièces, effets et livres de commerce que l'on pourra trouver, encaisser et réaliser les créances constatées en faveur des déportés, intenter au besoin les procès y relatifs et poursuivre et faire juger conformément au dernier alinéa de l'article 7 de la loi du 13 septembre 1915, les procès qui seraient intentés par les déportés et qui seraient en cours d'instructions.

Art. 14. Les départements, banques et établissements financiers et de commerce sont tenus de communiquer immédiatement les comptes et au besoin les pièces justificatives, les effets et lettres y relatives que leur demandera, conformément à l'article précédent, le président de la commission.

Art. 15. Les commissions sont tenues, lors de l'examen des réclamations formulées par ceux qui prétendent être les créanciers des personnes déportées, de les comparer avec les livres de commerce en leur main, de se procurer des tribunaux et des départements officiels les pièces qui pourraient s'y trouver, de recueillir aux témoignages des personnes dignes de foi qui auraient été en relation d'affaires avec lesdites personnes, d'entendre les dépositions et les déclarations des témoins et de les renvoyer par-devant les tribunaux pour porter témoignage; de prendre note de leur nom et d'en faire

mention dans les mazbatas; de faire des enquêtes et des recherches minutieuses au sujet des titres fictifs et autres similaires dans les localités en question.

Art. 16. L'inventaire des objets, images, livres saints se trouvant dans les églises sera dressé et lesdits objets seront conservés. Le droit de disposer des écoles, monastères et de tout le matériel de ces établissements sera cédé au Ministère de l'Instruction publique.

Art. 17. La contre-valeur des biens dont les propriétaires seraient restés inconnus sera inscrite au nom du village ou du quartier où lesdits existeraient, et sera envoyée ultérieurement à la localité où les habitants desdits villages ou quartiers seront installés par ordre du Gouvernement.

Art. 18. Les commissions sont tenues de prendre en considération le temps et l'endroit de la vente aux enchères des biens meubles et tâcheront que ces derniers soient vendus à un prix le plus en rapport avec leur valeur réelle.

Art. 19. Les commissions sont tenues à avoir deux registres: (1) registre original; (2) registre des comptes; le modèle et les instructions relatives à la tenue de ces registres sont joints au présent règlement. Les commissions pourront en outre tenir d'autres registres auxiliaires dont ils auraient besoin. Le président de la commission contrôlera continuellement les registres afin d'assurer leur tenue régulière en conformité des instructions *ad hoc*. Le président sera tenu responsable de tout abus découlant de la non-régularité des comptes.

Art. 20. Toute communication et toute notification faite par la commission en vertu des dispositions de la loi sur la matière ainsi que du présent règlement devra être obligatoirement exécutée par les fonctionnaires compétents.

Art. 21. A la demande des présidents le Gouvernement adjoindra auxdites commissions un nombre suffisant d'agents de police et de gendarmes afin d'assurer le prompt paiement et exécution des charges déterminées par ladite loi et le présent règlement.

Art. 22. Les opérations des commissions sont soumises au contrôle et à la surveillance de l'administration centrale.

Art. 23. Le président et les membres des commissions sont tenus d'indemniser au moyen de leurs propres biens les dommages provenant de la non-exécution de leur devoir, fixé par la loi *ad hoc* et le présent règlement par suite d'une mauvaise intention ou d'une simple négligence.

Art. 24. Le présent règlement entre en vigueur à partir de la date de sa publication.

Art. 25. Les Ministres de l'Intérieur, de la Justice et des Finances sont chargés de l'exécution du présent règlement.

Enclosure 2 in No. 353.

La Loi sur les Biens abandonnés.

(Traduction.)

ARTICLE 1er. Dans les régions qui sont sauvées de l'occupation ennemie le Gouvernement vend aux enchères, dans les formes usuelles, les biens, meubles qui sont restés sans maître à cause de la fuite ou de l'absence des propriétaires, et il gère les biens immeubles et les cultures.

Le produit des ventes, les loyers et les autres revenus sont versés aux caisses fiscales, nets de tous frais, pour être imputés au compte "dépôts." Toutefois, les biens immeubles et les fonds versés aux caisses fiscales à titre de dépôt sont restitués à ceux qui rentrent dans leurs foyers.

Art. 2. Les opérations qui ont été faites, en conformité du procédé et de la pratique en usage, sur la base des actes de procuration qui avaient été créés avant la mise en vigueur de la présente loi, sont valables.

Tous les droits provenant de ces opérations, ainsi que la charge de représentation découlant desdits actes, passent au Gouvernement à partir de la mise en vigueur de la présente loi.

Art. 3. Ceux qui détiennent, sans motif légal, des biens sans maître ces biens abandonnés et des cultures doivent les remettre au Gouvernement dans l'espace d'une semaine à partir de la date de la publication de la présente loi. Les contrevenants seront dépossédés par la voie administrative et des poursuites judiciaires seront exercées contre eux.

Art. 4. Ceux qui dénoncent l'existence des biens abandonnés celés, reçoivent le 10 pour cent du montant des biens découverts, à titre de rémunération.

Art. 5. La portée de la présente loi s'étend également sur les biens meubles, les immeubles et les cultures de ceux qui dans les autres régions seront reconnus coupables, par ordonnance judiciaire, de s'être enfuis ou de s'absenter sous l'influence de raisons martiales ou politiques.

Art. 6. Cette loi entre en vigueur à partir de sa publication. Les Ministres des Finances, de l'Intérieur et de la Justice sont chargés de son exécution.

Le 20 avril, 1922.

Enclosure 3 in No. 353.

Loi provisoire du 13 Septembre 1331/1915, relative aux Biens, Dettes et Créances des Personnes qui ont été déportées.

(Traduction.)

ARTICLE 1er. Les biens, créances et dettes laissés par les personnes réelles et morales, qui ont été déportées en vertu de la loi provisoire du 14 mai 1331/1915, seront liquidés par les tribunaux sur les "mazbatas" dressés séparément pour chaque personne par les commissions *ad hoc*.

Art. 2. Les immeubles vakoufs de la catégorie dite "Idjarétéin," bâtis et non bâtis, appartenant lors de leur déportation aux personnes dont il est fait mention à l'article 1er, seront inscrits au nom de la caisse de l'Evkaf, et les autres immeubles se trouvant en leur possession seront inscrits au nom de la Caisse du Trésor. Sur les prix versés par lesdites caisses, les dettes seront liquidées et le surplus restant sera remis aux ayants droit. Les agents du cadastre figureront comme partie dans les procès où des revendications pourraient surgir à propos de ces immeubles. Les droits de propriété sur les immeubles en question pourra être prouvé par toute autre pièce que le titre de propriétaire, à condition toutefois que cette pièce ne soit pas fictive. Dans le cas où il serait prouvé judiciairement que les personnes susmentionnées auraient dans les quinze jours précédant leur déportation, vendus leurs immeubles par des actes simulés ou à un prix frauduleusement moindre, lesdits actes et ventes seront annulés.

Art. 3. Les espèces et les biens laissés par les déportés ainsi que leurs dépôts et créances seront réunis, recouvrés et recherchés par le président de la commission mentionnée à l'article 1er ou par son représentant. Les biens laissés par les déportés qui ne font pas l'objet d'une réclamation seront vendus aux enchères et le produit en sera déposé aux caisses fiscales au nom des ayants droit.

Art. 4. Ceux qui revendiquent les biens laissés ainsi que ceux qui ont des créances sur les personnes déportées devront dans l'intervalle de deux mois, à partir de la date de la mise en vigueur de la présente loi pour ceux qui sont domiciliés dans l'Empire ottoman, et de quatre mois pour ceux qui sont à l'étranger, s'adresser soit en personne, soit par l'entremise d'un fondé de pouvoir, aux commissions et faire enregistrer et approuver leurs créances. Ils sont en outre tenus d'élire domicile dans une ville où siège une commission. Les dispositions générales seront applicables aux procès intentés après l'expiration dudit délai, et ceux qui auront gain de cause dans ces procès n'auront pas le droit de recouvrir les biens liquidés conformément à la présente loi.

Art. 5. Les commissions rechercheront et examineront toutes les pièces nécessaires de toutes les dettes et créances, elles approuveront et enregistreront celles-ci en cas de demande en revendication des biens laissés par les déportés, elles renverront les parties par-devant les tribunaux compétents après en avoir pris note. Les commissions auront à dresser pour chaque personne séparément un "mazbata" portant la balance de leurs biens et de leurs comptes; les copies légalisées de ces "mazbatas" seront affichées afin de tenir lieu de notification aux ayants droit et les originaux avec les pièces y relatives seront remis au procureur impérial qui les transmettra au tribunal civil de première instance dont relève le domicile légal de la personne déportée en requérant leur enregistrement.

Les créanciers pourront faire, dans les quinze jours suivant l'affichage, opposition aux "mazbatas" par-devant les tribunaux compétents.

A l'expiration du délai déterminé, le tribunal examinera en présence du procureur impérial lesdites pièces; s'il y a eu opposition il convoquera d'urgence l'opposant ainsi que le Président de la Commission ou son représentant. Après avoir entendu les motifs de leur opposition et leur défense et apporté les modifications nécessaires, il devra enregistrer chaque "mazbata" et le transmettre aux commissions sous forme de jugement afin qu'il soit mis en exécution conformément à l'article suivant. Les décisions que portent ces jugements ne sont pas susceptibles d'opposition, de requête civile, d'appel ni de cassation.

Art. 6. Les commissions de liquidations, et, lorsque celles-ci cesseront de siéger, les bureaux exécutifs seront tenus à régler intégralement sur l'actif réalisé, selon les dispositions des jugements devenus définitifs, les dettes privilégiées et ordinaires des débiteurs; en cas d'insuffisance de l'actif, les dettes dont il s'agit devront être réglées proportionnellement en courant la préférence à celles qui sont privilégiées.

Art. 7. Les saisies conservatoires ou exécutoires pratiquées avant la promulgation de la présente loi par les tribunaux et départements officiels, sur les biens laissés par les personnes déportées seront nulles et les saisissants soumis à la disposition de la présente loi. Ceux qui ont intenté auxdites personnes un procès qui est actuellement en cours d'instruction sont libres de recourir aux commissions de liquidation ou de poursuivre leur procès conformément aux dispositions générales. Les dispositions du dernier alinéa de l'article 4 seront appliquées à ceux qui ne s'adresseront pas aux commissions.

Les procès en cours d'instruction intentés par les déportés eux-mêmes seront poursuivis et terminés par les soins du président de la commission ou de son représentant, toujours en conformité des dispositions légales générales.

Art. 8. La mode de constitution des commissions et la mode d'application et d'exécution des autres dispositions de la présente loi seront déterminées par un règlement spécial.

Art. 9. Les immeubles bâtis et non bâtis vakoufs de la catégorie "Idjaréteinli" qui seront inscrits suivant les dispositions de la présente loi au nom des caisses de l'Evkaf et du Trésor, ainsi que les autres immeubles dont il est question, pourront être distribués et cédés gratuitement aux émigrés conformément aux dispositions du règlement relatif à l'installation de ces derniers.

Art. 10. Les Ministres de l'Evkaf, de l'Intérieur, de la Justice et des Finances sont chargés de l'exécution de la présente loi.

Art. 11. La présente loi entre en vigueur à partir de la date de sa publication.

Pour donne la mise en exécution provisoire et l'insertion dans le "Bulletin des Lois de l'Empire" ce présent projet de loi, qui sera soumis à l'approbation de l'Assemblée générale à sa prochaine session.

MEHMED RECHAD.

Enclosure 4 in No. 353.

Law modifying the Law on Abandoned Property dated April 20, 1338, together with certain Articles of the Provisional Law dated September 13, 1331 (17 Zil Kade, 1333), concerning Abandoned Property, Debts and Credits of Persons Transported to Other Places.

ARTICLE 1. Article 2 of the provisional law dated the 13th September, 1331 (17 Zil Kade, 1333), concerning abandoned property, debts and credits of persons transported to other places, is modified as follows:—

The Vakouf lands and buildings known as "Ijaretein" possessed by the persons mentioned in article 1 at the time of their transportation shall be registered in the name of the Ministry of Evkaf, and other real estate possessed by them shall be registered in the name of the Ministry of Finance, and the balance of the estimated values of both categories of real estate after liquidation shall be inscribed at the above-named Ministries in trust for the owners.

In all lawsuits which may arise with reference to the said property the Ministries shall be parties; and in evidence of ownership of this property documents other than "Tapou" title-deeds shall be admitted, provided that they are not fictitious documents. Existing contracts shall be set aside if it is proved in court that transfers made by the persons in question within thirty days of the date of their displacement, or purchases carried out by them one year before that date, were tainted with fictitious use of names or price. Abandoned real property occupied by third parties without a contract based on valid documents shall be evacuated within fifteen days through the senior civil official by decision of the commission.

Art. 2. The fourth article of the said law is modified as follows:

Claimants to abandoned property or to debts due by persons displaced, if resident in Turkey, have four months, and if resident abroad, six months, from the date of this law in places where the commissions have been formed in accordance with article 1, and in

places where the commissions have not yet been formed from the date of their formation, in which to apply in person or by attorney to validate their claims. They are obliged to select a domicile in the town when the commission sits, where service of all kinds can be effected on them.

After the expiration of this delay lawsuits will be dealt with in the ordinary way, but the judges will be forbidden in this class of lawsuits to base a judgment on the refusal of the defendant, who makes opposition to a judgment by default, to take the oath

Judgments by default pronounced up to the coming into force of this law, and based on the refusal of the defendant to take the oath after making opposition, shall be considered as of no effect when they have not yet received full execution; and the parties in whose favour they were pronounced shall be free to bring their action in conformity with this law.

These commissions will function in each place for at most one year from the date of their formation. At the expiration of this delay matters which have not received a solution will be referred for solution to the competent courts and departments according to their nature.

Art. 3. Article 7 of the said law is modified as follows:—

Injunctions and stop orders for the protection of interests before the publication of this law by courts and official departments with regard to abandoned property of displaced persons shall be without effect, and the parties applying for the injunction or bringing actions in the courts shall be subject to the provisions of this law. Arrests in execution of judgments shall be carried out within the limits of the law.

Lawsuits pending in favour of these persons shall be followed up and concluded by the Ministries in accordance with general principles.

Art. 4. Article 8 of the said law shall be modified as follows:—

The manner of formation of the commissions and the manner of application and execution of the other provisions of this law shall be laid down in a regulation in accordance with the modifications of this law.

Art. 5. The ninth article of the said law is repealed.

Art. 6. The provisional law dated the 13th September, 1331, with these modifications, shall be applied also with regard to the movable and immovable property and debts and credits of those who in any manner whatsoever absent themselves or depart or escape to foreign and occupied territories or to Constantinople and its dependencies.

Art. 7. The law on Abandoned Property of the 20th April, 1338 (1922) (22 Shaban, 1340), is repealed.

Art. 8. The Law takes effect from the date of its publication

Art. 9. The Departments of Religious Law, Evkaf, Justice, Interior and Finance are charged with carrying out this law.

28 *Shaban*, 1341, *and April* 15, 1339.

E 5478/199/44] **No. 354.**

Mr. Henderson to the Marquess Curzon of Kedleston.—*(Received May* 28.)

(No. 310.)

My Lord, *Constantinople, May* 22, 1923.

WITH the conclusion of Bairam it is to be expected that the recent lull in the electoral campaign will give place to renewed activity so that it should, at an early date, be possible to form an estimate of the probable trend of the elections, which, however, are not likely to be concluded before July. In the interval, the executive authority is still vested in the old Assembly, which, after suspending its sittings during Ramazan, met on the 21st instant, but, in the absence of a quorum, again deferred the resumption of its sittings until the 2nd June.

2. While it is almost impossible to obtain definitely reliable information regarding the actual situation in Anatolia, and more particularly in the Trebizond area and in the eastern vilayets, there seems reason to believe that in these localities at least the Kemalist organisation is meeting with a considerable measure of opposition. In the

Trebizond area, this opposition appears to have come to a head about the last week of April, during which telegraphic communication with Constantinople was cut off, and when, according to the statements of certain Opposition Deputies, who at that time arrived at Constantinople, there was active disorder throughout the areas of Trebizond, Erzeroum, Erzindjan, Ardahan and Kars, accompanied by a vigorous propaganda in favour of local autonomy. This disorder was, however, for the most part shortlived, though I am informed that it still persists in the towns of Trebizond and Erzeroum.

3. Additional significance is now lent to the above report by the publication on the 20th instant, in two organs of the strictly controlled Turkish press, of statements made by Refik Shevket Bey, Deputy for Saroukham and ex-Minister of Justice at Angora, regarding the Defence of Rights Organisation at Trebizond. From these statements it appears that the central committee of this organisation aided by their Deputies in the National Assembly exercised almost despotic powers and in the course of time became active supporters of the Opposition and of the late Ali Shukri Bey. On the assassination of the latter, this committee, still calling itself the Defence of Rights Organisation, commenced an active press campaign against the authorities at Angora and accused the leaders of the Kemalist movement of complicity in the crime, going so far as to remove a picture of Mustafa Kemal Pasha from the headquarters of the group and to put in its place one of Ali Shukri Bey in a black frame.

4. News of the proceedings at Trebizond quickly reached Angora and orders were received by the local police to close and seal up the headquarters, the committee itself being dissolved. A special Commission of Inspection headed by Refik Shevkit Bey was sent to Trebizond, the headquarters were reopened after the formation of a so called loyal Committee of Defence of Rights, a special proclamation was addressed by Mustafa Kemal to the population of Trebizond, and a reply was returned in which the latter asserted their unwavering loyalty towards the national hero. The proclamation and the loyal reply were duly reproduced in all the Constantinople press nearly a month ago, but it is only now possible to assess them at their true value. From the concluding sentences of Refik Shevket Bey's statement it appears, however, that the repressive measures have not been altogether successful, as he remarks that the Opposition group is still continuing its activities and it is suggested that the election of the disciples of the true faith is by no means certain.

5. It appears that the ten Kurdish Deputies for the Bitlis Vilayet, all of whom belong to the Opposition, met on the 22nd ultimo and decided to oppose the Kemalist party by every possible means. I am also informed that a local rising of some importance among the Kurdish tribes in the eastern vilayets took place about the end of April. The immediate cause appears to have been an attempt by the Turkish authorities to collect military taxes. The rising spread to other tribes near the Irak Turkish frontier and Djevad Pasha was turried to the seat of the trouble where severe measures were taken. The Vali of Diarbekr as well as the Governors of Arghana and Severek were dismissed, the officer commanding the local troops was shot for cowardice and incompetence, and the vilayet of Diarbekr was placed under martial law, the Administration being in the hands of Djevad Pasha himself. My most recent information shows, however, that these measures have merely had the effect of further solidifying the opposition of the Kurdish Deputies to Mustafa Kemal and of intensifying the propaganda campaign in favour of the independence of the eastern vilayets.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

[E 5441/1482/44] No. 355.

Count de Saint-Aulaire to the Marquess Curzon of Kedleston.—(Received May 28.)

LA Banque Schröder de Londres a exprimé au directeur de la Banque impériale ottomane à Paris le désir de discuter avec les intérêts français et italiens les bases de leur participation dans le développement futur du Chemin de Fer d'Anatolie du Port de Haidar Pacha et du Chemin de Fer de Mersine-Adana.

Ce projet revient à attribuer au groupe anglais, souscripteur du un huitieme du capital, cinq huitièmes des droits de vote et lui assurerait ainsi le contrôle effectif de l'entreprise. D'autre part, il conserve aux Allemands le droit de profiter de la reorganisation de l'entreprise. La Banque des Chemins de Fer orientaux est, en effet,

constituée avec des capitaux allemands; son conseil d'administration est composé en majorité de Suisses, mais qui ne sont que des prête-noms.

Le Gouvernement français estime que cette combination, qui n'assure pas une participation égale aux intérêts alliés dans une entreprise allemande de chemins de fer en Turquie, où les intérêts allemands subsistent encore, ne tient pas compte des articles 155 et 260 du Traité de Versailles, des articles 293 et 294 du Traité de Sèvres, de l'article 4 de l'Accord tripartite, comme des idées directrices des projets de traité élaborés à Lausanne.

D'autre part, le projet en question, non seulement n'est pas conforme au principe d'une répartition à parts égales entre Alliés du contrôle des chemins de fer en Turquie, mais il est aussi en contradiction avec les articles 260 du Traité de Versailles, 294 du Traité de Sèvres, 95 et 91 du projet de Traité de Lausanne, qui tous étaient inspirés par la même pensée: éliminer les Allemands des entreprises de chemins de fer en Turquie

L'Ambassadeur de France a été chargé d'exposer ces faits à son Excellence le principal Secrétaire d'Etat de sa Majesté britannique aux Affaires étrangères et de lui demander s'il ne jugeait pas opportun d'intervenir auprès de la Banque Schroder pour lui signaler qu'une part égale, non seulement dans le capital de la nouvelle société, mais dans le contrôle de l'affaire, devait être assurée au groupe français, comme au groupe italien, conformément aux stipulations de l'Accord tripartite et de l'accord particulier du 25 mars 1922.

Le Comte de Saint-Aulaire saisit, &c.

Ambassade de France, Londres,
le 25 mai 1923.

[E 5439/6/44] No. 356.

Count de Saint-Aulaire to the Marquess Curzon of Kedleston.—(Received May 28.)

LE Gouvernement français, désireux d'éviter toute incertitude dans la conduite des Gouvernements alliés, au cas où le Gouvernement hellénique romprait effectivement l'armistice de Moudania, a demandé aux Ambassadeurs d'Angleterre et d'Italie à Paris si les Cabinets de Londres et de Rome seraient disposés à se concerter avec celui de Paris en vue d'établir une attitude commune, à observer par eux au cas d'une reprise d'hostilités entre Grecs et Turcs.

M. Poincare pense que les Gouvernements alliés pourraient se mettre d'accord sur les points suivants:

Aucun appui, même indirect, ne serait apporté par les Alliés aux belligérants;

Les Grecs pourraient franchir la Maritza et les Turcs le Bosphore;

Les uns et les autres devraient s'engager à respecter Constantinople, la presqu'île de Gallipoli, les côtes de la Marmara, Tchanak et, en général, les points de cette région occupés par les troupes alliées;

L'entrée des Dardanelles demeurerait interdite à la flotte grecque.

Le Général Pellé a eu connaissance de ces propositions, qu'il a dû réserver à informer les seules délégations britannique et italienne à Lausanne.

L'Ambassadeur de France serait heureux de faire connaitre à son Gouvernement si, le cas échéant, le Cabinet britannique serait disposé à accepter les suggestions de M. Poincaré.

Le Comte de Saint-Aulaire saisit, &c.

Ambassade de France, Londres,
le 26 mai 1923.

E 5440/1/44] No. 357.

Count de Saint-Aulaire to the Marquess Curzon of Kedleston.—(Received May 28.)

Ambassade de France, Londres
le 26 mai 1923

M. le Marquis,

COMME le sait votre Seigneurie, le Gouvernement turc, en vue d'obtenir une évacuation aussi rapide que possible de son territoire par les troupes alliées, a demandé qu'à article 1er du projet de traité un paragraphe fût ajouté, stipulant que cette evacuation aurait lieu dès la ratification du projet par l'Assemblée d'Angora.

Mon Gouvernement, estimant qu'une clause du traité ne pourrait être appliquée avant que le traité entre en vigueur, estime que la disposition souhaitée par les Turcs ne doit pas trouver place dans le traité. Elle pourrait, néanmoins, et si les Alliés étaient d'accord sur ce point, faire l'objet d'une convention spéciale, qui serait signée en même temps que le traité lui-même.

Le 23 septembre 1922, en invitant les Turcs à se faire représenter à la Conférence de Lausanne, les Alliés ont déclaré que les troupes alliées seraient retirées de Constantinople aussitôt que le traité entrerait en vigueur.

Je serais reconnaissant à votre Seigneurie de bien vouloir me faire savoir si le Gouvernement britannique s'en tient au point de vue de septembre dernier, ou si, au contraire, il estimerait possible de consentir à l'évacuation totale ou partielle des territoires turcs occupés par les troupes alliées, avant la mise en vigueur du traité, qui se trouve subordonnée à sa ratification par les trois principales Puissances alliées et par l'Assemblée d'Angora.

Veuillez agréer, &c.
SAINT-AULAIRE.

No. 358.

The Marquess of Crewe to the Marquess Curzon of Kedleston.—(*Received May* 28.)

(No. 538.) [By Bag.] *Paris, May* 26, 1923.
(Telegraphic.)

DEALING with the position between Greece and Turkey, M. Herbette, in last night's "Temps," demanded that, in the event of hostilities, the Allies should neither allow the Greek fleet to operate in the Straits nor undertake to impede a Turkish advance. They should even consider evacuating Constantinople.

"Pertinax," on the other hand, takes quite the opposite line in this morning's "Echo de Paris," in an article in which a certain degree of encouragement to Greece can be traced. He disclaims any responsibility on the part of France or the Allies for possible developments. It is well known that they cannot control events in the Near East. Both parties at Lausanne regard themselves as victorious, and the only possible solution of such a situation is force. The Allies do not desire war, but to threaten Greece with measures to prevent naval operations in the Ægean Sea or to regard with toleration or even favour the passage of troops from Anatolia would be to play the Turkish game and increase French difficulties. Besides such threats would be of no use because the Greeks, if they are determined to go forward, are relying only on themselves. France might gain some advantage if the result were a reduction of Turkish forces on the Syrian frontier, while, on the other hand, events might be unfavourable to her in the contrary case. As the issue is doubtful, "Pertinax" recommends abstention, although he deplores the fact that France has been driven to play a "jeu de bascule."

No. 359.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 28.)

(No. 122.) *Lausanne, May* 27, 1923.
(Telegraphic.)

MY telegram No. 121.

Ismet called late this afternoon. He expressed anxiety to finish as soon as possible [? discussion of] big outstanding questions. As I expected, he placed evacuation in the forefront, and was most persistent about it. He wished to give it pre-eminence over everything else. I said I was quite willing to discuss outstanding large questions falling to my committee without delay, and outline plan for preliminary private discussions beginning with judicial declaration on Tuesday. I noticed for the first time he himself mentioned this as one of the questions requiring discussion. As regards evacuation, I said that Turks had no grounds for depression or anxiety, as we certainly meant to evacuate, but that this question could not, in logical sequence, be dealt with until agreement had been reached on others. In order to reassure him, I told that I had already asked for your instructions regarding it

Ismet doubtless wishes for reasons of home politics to be able to justify his accommodating attitude of [? yesterday] by showing satisfaction that evacuation is well in sight. Our interest [? omitted: is] to strengthen his position with his own people. I therefore hope you will find it possible to authorise at very early date statement suggested in second paragraph of my telegram under reference, and to settle with Allies, in the course of the week, points raised in subsequent paragraphs. I have informed my French and Italian colleagues of general sense of my telegram, and they have promised to telegraph on similar lines to their Governments

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No. 360.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(*Received May* 28.)

(No. 210.)
(Telegraphic.) R. *Athens, May* 28, 1923.

SIR H. RUMBOLD'S telegram No. 114

Pacific settlement appears to have given general satisfaction in the country and is considered personal success for M. Veniselos, for revolution and for army, or according to certain opposition papers as the best of a bad bargain.

Much prominence is given to Serbian support at the last moment.

(Repeated to Lausanne.)

No. 361.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received May* 28.)

(No 318.)
(Telegraphic.) *Constantinople, May* 28, 1923.

SIR H. RUMBOLD'S telegram No. 121.

There has been a recrudescence here in press and generally of theory that Great Britain means to retain her hold on Gallipoli and Straits. Recent article in "Temps" has helped to revive Turkish mistrust in this respect.

Adnam referred to this in conversation a few days ago, and while disclaiming such ideas himself admitted that many Turks held them.

It would seem desirable, therefore, that arrangements for evacuation of Dardanelles should be clear and definite, lest any appearance of ambiguity foster instead of dispel this mistrust.

(Repeated to Lausanne, No. 128.)

No. 362.

Sir H. Rumbold to the Marquess Curzon of Kedleston. -(*Received May* 28.)

(No. 123.
(Telegraphic.) D. *Lausanne, May* 28, 1923.

AFTER my telegram No. 116 was drafted, Signor Montagna told me he had received instructions to drop demand for reparations. Rome telegram No. 101 was handed to me while he was with me. On my telling him sense of latter, he showed confusion and admitted that he had had instructions from Rome early in the day, but said that they had not been couched in satisfactory terms. This morning he informed General Pellé and myself officially of his instructions to drop demand, adding, as from his Government, that their consent to drop demand for reparation in view of small sum now available for reparation constituted a further sacrifice on their part in the interests of peace. He also said that his Government did not admit any connection between question of Allied reparations and that of Greek indemnity. This seems rather platonic. Anyhow, both questions will be disposed of in Second Committee to-morrow, *i.e.*, Allied reparation claim will be dropped and settlement of Greek indemnity question will be recorded.

No. 363.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 28.)

(No. 124. Confidential.)
(Telegraphic.) *Lausanne, May 28, 1923.*

(R.) M. TODOROF has sent an official note to me as president of First Committee drawing attention to moral, political and economic interest of Bulgaria in question of proposed cession of Karagatch to Turkey. Note points out that Bulgaria ceded her territory to Allies as the result of war, in which Turkey was her ally. Allies' cession to Turkey may endanger good relations between latter and Bulgaria, as well as render illusory Bulgaria's access to Ægean. Note concludes by asking that no final decision may be taken "without taking into account vital interests of Bulgaria, whose conduct has been irreproachable, and without assuring to her in advance benefit of a right recognised by Peace Treaty." (End of R.)

This disadvantage of Karagatch proposal had been foreseen, but Bulgaria will have to rest content with article to be added to Thracian Frontiers Convention safeguarding Bulgarian transit through this wedge of Turkish territory.

(Repeated to Athens, Belgrade, Constantinople and Sofia.)

No. 364.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 92.)
(Telegraphic.) R. *Foreign Office, May 28, 1923.*

YOU had better inform the Greek Government that the admiral has standing instructions not to admit the Greek fleet into the Straits and Marmora without reference to London, and that these apply pending any further orders.

(Repeated to Lausanne, No. 40; Constantinople, No. 174; Paris, No. 241, and Rome, No. 160.)

No. 365.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 41.)
(Telegraphic.) R. *Foreign Office, May 28, 1923.*

YOUR telegram No. 83 of 19th May: Article 35 of draft treaty.

Colonial Office concur in proposal to omit article 35 from treaty.

No. 366.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 29.)

(No. 126.)
(Telegraphic.) *Lausanne, May 28, 1923.*

MY telegram No. 122.

Ismet also again mentioned return of interned warships, arms and ammunition referred to in last paragraph of Turkish note of 8th March. I have always told him that this question is incidental to that of evacuation. We ought, therefore, to be prepared to take it towards the end of this week.

I assume decision to return warships, including "Goeben," holds, and that provision should be made for returning them accordingly. In view of Admiralty letter to Foreign Office of 9th April, I take it that this includes any naval equipment which may be under Allied control.

As regards arms, ammunition and other military stores, I should be in favour of undertaking to return anything now in occupied territory in its actual state, but

to do this by way of derogation from principle asserted here in January that material was left at free disposal of the Allies at the time of the armistice. This would guard us against any claim in respect of part action in regard to stores in question. We should, in fact, be making final exercise of our right of free disposal by handing back whatever is now left over to Turks.

(Repeated to Constantinople.)

No. 367.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 29.)

(No. 127.)
(Telegraphic.) *Lausanne, May 28, 1923.*

MY telegram No. 71.

I may have to settle Irak frontier question at any moment with Ismet. He will probably agree to my personal suggestion to fix period at nine months. My view still is that even if he presses for one year we should clinch the matter. I trust this will meet views of His Majesty's Government, as I should be in embarrassing position if Ismet told me he had had reply from Angora and I had to delay matters owing to absence of reply to my telegram under reference.

No. 368.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 29.)

(No. 128.)
(Telegraphic.) R. *Lausanne, May 28, 1923.*

MEETING of Second Committee was held this morning to deal with reparation clauses. General Pellé formally announced Allied decision to maintain settlement of Allied reparations proposed in February and emphasised sacrifices involved. He explained that settlement did not involve waiver of reparations claims of concessionary companies, which had throughout been dealt with separately and were now being discussed at Angora. Ismet said that if Angora discussions failed he would refuse to admit discussion at peace conference of reparation claims of concessionary companies, since settlement should cover all reparation claims; he implied that he would be prepared to discuss other questions concerning concessions here if Angora negotiations fail.

Allied delegates stated that they could not possibly accept this point of view as regards reparation claims of concessionary companies. Finally it was agreed that settlement of Allied reparations should be discussed entirely without prejudice to view of either party on question of these claims.

Pellé then announced Græco-Turkish settlement. Ismet said that settlement should not cover goods requisitioned or confiscated by Greeks. We refused to contemplate any alteration in basis of agreement reached on Saturday, but, subject to this, matter was referred to experts. Committee has now discussed all the financial clauses. We shall endeavour to clear up outstanding questions in next day or two, and a final meeting will then be necessary to endorse settlement reached.

Question of exchange of options on pre-war loans is the only outstanding question of first-rate importance in financial section of treaty.

No. 369.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 29.)

(No. 129.)
(Telegraphic.) *Lausanne, May 28, 1923.*

AT a private meeting this afternoon between delegates of inviting Powers and Ismet, latter agreed to drop his demands for Ada-Kaleh and Castelorizo. We agreed to thalweg of Maritza as frontier of Eastern Thrace and to cession of Rabbit Islands. The Italian delegate likewise withdrew his reserve with regard to sum payable by Dodecanese on account of Ottoman Public Debt arrears.

It was not possible to bargain with thalweg because M. Veniselos had already given it away on Saturday afternoon, after discussion on Greco-Turkish reparations question.

Above agreements will be recorded at next meeting of my committee, probably on 1st June, when I shall take up point regarding exemption from military service of Greeks actually resident in Tenedos and Imbros at the time of signature of treaty.

(Repeated to Constantinople and Athens.)

No. 370.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 29.)

(No. 130.)
(Telegraphic.) *Lausanne, May 28, 1923*

MY immediately preceding telegram.

As Ismet had expressed to my colleagues and myself great eagerness to settle four big outstanding questions this week, we discussed with him at our private meeting a time table of work. It was agreed to take judicial declaration to morrow, question of interest on debt on Wednesday, concessions on Thursday and question of evacuation of Constantinople on Friday, provided that my colleagues and I have received our instructions by then.

Whilst I shall not commit myself definitely to any formula which we may reach to-morrow in connection with judicial declaration, I shall be grateful for your early views on solution foreshadowed in my telegram No. 118.

(Repeated to Constantinople.)

No. 371.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received May 29.)

(No. 320.)
(Telegraphic.) R. *Constantinople, May 29, 1923.*

DIRECTOR of National Bank of Turkey informs me prefect has given orders that toll receipts of Galata bridge, which were irrevocably allocated to bank for service of interest on 1909 municipal loan, shall no longer be paid daily into bank as heretofore. Payments, in fact, ceased from yesterday morning.

I saw Adnan Bey to-day, and informed him, in belief that this action was result of misunderstanding, I would give him till 2nd June to revert to former practice, and that until then I would ask British correspondents to refrain from telegraphing to London on the subject.

I warned him against deplorable effect which would be produced on London market if such action were made public, and I hope by this threat to bring prefect to reason.

Mr. Dickson agrees in this course, and I have asked Adnan to see him and advise latter to arrange meeting between Mr. Dickson and Vali, who is acting as prefect.

Adnan said that municipality was absolutely penniless, and its employees had received no salary for months, and asked whether Prefecture and National Bank could not come to some arrangement. I told him that that was for Vali to settle with Mr. Dickson, but that first of all *status quo ante* as regards bridge tolls must be restored.

I trust it may yet prove possible to settle this question without making too great an incident out of it. But Adnan did not exaggerate condition of municipal finances. Turks are at a loss where to turn for cash, and arbitrary acts, as in present instance, are result.

Throughout the war tolls receipts continued to be paid daily into National Bank Moment chosen to cease payments is therefore the more ill chosen.

(Repeated to Lausanne, No. 130.)

No. 372.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received May 30.)

(No. 211.)
(Telegraphic.) *Athens, May 29, 1923.*

YOUR telegram No. 92.

I venture to suggest that it should be left to my discretion to make communication if I consider situation renders this course necessary. At present I do not think it does, and needless communication of this nature would give unnecessary offence at a moment when things are calm.

Greeks appear to be already aware of our attitude, and naval attaché, who is here at present, can take advantage of any opening to give a friendly hint.

(Repeated to Constantinople and Lausanne.)

No. 373.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 31.)

(No. 131.) [By Bag.]
(Telegraphic.) *Lausanne, May 29, 1923.*

THE delegates of the inviting Powers held two sittings to-day with Ismet to discuss the draft of the Judicial Declaration, which was forwarded in my despatch No. 18 of the 4th May. Each delegate was accompanied by his expert.

At the morning sitting, we took all the paragraphs except 5 and discussed the modifications of the Turkish formula. Ismet took exception to all the modifications, contending that in some cases they were unnecessary, and that in others, as, for instance, in paragraph 4, they extended the powers of the legal counsellors. I reserved article 5, on which I knew the struggle would centre, for the afternoon sitting.

Before the afternoon sitting, M. Fromageot spent two hours with the Turks in furnishing explanations in regard to the modifications suggested in the morning, and produced a fresh draft of paragraph 4.

Ismet would not commit himself to the acceptance of this fresh draft, and we then discussed paragraph 5, dealing with domiciliary visits and arrests. As I had foreseen, Ismet rejected the Allied draft of this paragraph with great vehemence. A long and wearisome discussion followed, in the course of which Ismet became very excited. He ended by insisting that we should come to a decision at once with regard to the Judicial Declaration, but we explained that this was quite out of the question, and that we could not undertake to reach a settlement on each big question every day. He then took the line that it would be useless to take up any of the three remaining questions until the Judicial Declaration was settled, and we could not make him recede from this position. Finally, we agreed to meet again to-morrow for a new discussion of the Judicial Declaration, and M. Fromageot will, in the meanwhile, have another interview with him in the hope of finding some formula providing that the legal counsellors shall be immediately notified of orders for arrests of foreigners and domiciliary visits and should be entitled to make representations to the authorities concerned if they consider these called for. He will also inform Ismet that the Allied delegates are bound by their instructions and that they cannot commit themselves to a definite acceptance of any formula which may be reached now.

It will be seen from the foregoing that Ismet practically delivered to us an ultimatum to dispose of one question before proceeding to the consideration of another. We shall not, of course, submit to this demand. It is evident that Ismet has been worked up by instructions from his Government or by members of his own delegation, and his general attitude put a severe strain on the patience and good temper of the Allied delegates.

No. 374.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received May* 30.)

(No. 132. Most Confidential.)
(Telegraphic.) *Lausanne, May* 29, 1923.

M. VENISELOS informs me that he has received telegrams of congratulation from the King of Greece, Chief of Revolution and Prime Minister with regard to settlement arrived at on Saturday. On the other hand General Pangalos and head of navy, who appear to be dissatisfied with settlement, have telegraphed to Greek Minister for Foreign Affairs to the effect that latter has exceeded his powers. Without consulting M. Veniselos, M. Alexandris thereupon telegraphed his resignation. M. Veniselos has telegraphed urging that resignation should not be accepted, and he said to me that intervention of General Pangalos and head of navy in this matter was most improper.

He then again reverted to his proposal to sign preliminaries of peace with Turkey and developed his idea a little more fully. He even suggested that Greeks and Allied Powers should now sign Thracian Convention. He pointed to fact that Greece and Turkey had signed at [? Lausanne] exchange of populations agreement and for exchange of prisoners of war. On this analogy he did not see why Greece should not sign peace preliminaries with Turkey and continue to sit in conference in order to reach a mutual settlement on all other questions being dealt with by conference. He explained that signature of preliminaries of peace would not necessarily constitute a separate peace with Turkey. He proposed, if I had no objection, to sound Ismet to-morrow before proceeding to Paris for a few days. I told him I would think over matter, but I mean to ask him to hold his hand. Although I shall not tell him so, it would not suit us for Ismet to think he can afford to leave Greeks and Greek army out of account.

(Repeated to Athens.)

No. 375.

Mr. Henderson (*No.* 133) *to Sir H. Rumbold.—*(*Repeated to Foreign Office; Received May* 30.)

(No. 321. Personal and Secret.)
(Telegraphic.) *Constantinople, May* 30, 1923.

INTERCEPTED telegrams from Mustafa Kemel to Ismet make it clear that Council of Vekils is gravely perturbed by Ismet's action in settling Greek reparations question in defiance of its orders. In a personal telegram he says: "Your position is serious and critical; be careful."

Renewed instructions are that sacrifice in regard to Greek reparations is to be made conditional on prompt settlement in favour of Turks of following questions: Interest on public debt, early evacuation of occupied territories, judicial régime and compensation to companies. Ismet is instructed to make a final and definite proposal to conference on these lines.

Prevailing view of Cabinet is that rupture brought about by a Greek attack owing to failure to reach agreement on reparations question would be better received both in Turkey and abroad than rupture with Allies in general over a question of world-wide interest. It is added that a rupture which was not followed by operations would suit Allies' book.

Cabinet are particularly anxious for reports on atmosphere prevailing at Lausanne after Turkish sacrifice "on account of new hopes which Allies may cherish as a result of success secured by threats."

Orders from Fevzi Pasha to Refet and Constantinople command, issued on the 26th in anticipation of rupture, say that all officers must rejoin their units and prepare for war. The western command will be ready to attack Straits, Ismid and Chanak zones. The Thrace and Constantinople command are to stand by to act on their instructions. Operations to be undertaken against Irak and French in Syria are described in detail.

No. 376

Mr. Henderson [? *No.* 134] *to Sir H. Rumbold.—*(*Repeated to Foreign Office; Received May* 30.)

(No. 322.)
(Telegraphic.) R. *Constantinople, May* 30, 1923.

YOUR telegram No. 130 to Foreign Office.

I have no definite information, either officially or otherwise, as to real progress of negotiations with concessionary companies at Angora.

Telephone company, whose representative was first in the field, has merely received telegraphic requests for documents without comment, but it seems its negotiations are in full progress with some hope of success. Representatives of other British companies only reached Angora on 26th May. Telegram from National Bank representative merely states that owing to number of delays proceedings are dragging and general negotiations likely to be protracted.

French High Commissioner is equally without official news, but is somewhat pessimistic. French railway company's claim for war damage has, for instance, been definitely turned down on the ground that it should be placed to charge of Greeks.

Turkish press at Angora is, on the other hand, optimistic. It publishes text of agreement already concluded with Dercos Water Company, and states that similar agreements, in respect of tunnel company and Smyrna Quay Company, only require sanction of Council of Ministers.

Generally speaking, while it can be said that negotiations are proceeding, there seems to be little prospect of early settlement or of any definite admission by Angora of principles.

No. 377.

The Marquess Curzon of Kedleston to Sir H. Rumbold (*Lausanne*).

(No. 44. Confidential.)
(Telegraphic.) *Foreign Office, May* 30, 1923.

YOUR telegram No. 130 of 28th May.

I agree that, in view of the arguments adduced in your telegram and of the further fact that the degree of protection that the provision would in practice afford to foreigners is somewhat doubtful, it is not worth breaking on the question. But you should not give way except in the last resort.

No. 378.

The Marquess Curzon of Kedleston to Sir H. Rumbold (*Lausanne*).

(No. 45.)
(Telegraphic.) *Foreign Office, May* 30, 1923.

YOUR telegram No. 120 of 27th May: Conference.

I am quite content to await your appreciation of the general situation at the end of the week, before consulting Allied Governments. Progress already made reflects greatest credit on yourself and your delegation, and I fully appreciate the difficulties you have so successfully surmounted as well as those that remain to be overcome.

Your handling of the Greek reparation question has earned the admiration of His Majesty's Government, and I desire to offer you my warm personal congratulations.

I should be grateful if you would also convey to M. Veniselos and Ismet Pasha an expression of my friendly sentiments. The situation they had to meet was one that called for a high degree of personal courage and of statesmanship, and they have once more shown themselves worthy of the trust reposed in them by their countries

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No. 379.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 46.) *Foreign Office, May* 30, 1923.
(Telegraphic.)

YOUR telegrams Nos. 71 and 127 of 18th and 28th May: Irak frontier.

You may in the last resort settle on basis of our redraft of formula, providing for maintenance of the *status quo*, even if Ismet refuses to reduce period, but its shortening to at least nine months is of great importance to our position in Irak, and you should make every effort to get it conceded, before giving way on this point.

No. 380.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 47.) *Foreign Office, May* 30, 1923.
(Telegraphic.)

YOUR telegrams Nos. 121 and 122 of 27th and 28th May: Evacuation of occupied Turkish areas.

I am consulting War Office urgently, and on receipt of their reply I shall be in a position to answer your telegrams and also an enquiry on the same subject received from the French Ambassador.

(Repeated to Constantinople, No. 176.)

No. 381.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 177.) *Foreign Office, May* 30, 1923.
(Telegraphic.)

YOUR telegram No. 300 of 19th May: Negotiations between concessionnaires and Turkish Government.

Following is extract from telegram No. 106 from Sir H. Rumbold, in which I concur:—

"On the whole, I think that it would be better to confine action at Constantinople to pressure of general kind and to take here, jointly with Allies, any action leading up to establishment of principles."

[E 5589/4/44] No. 382.

International Red Cross to the Secretary-General, Lausanne Conference.—(Communicated by British Delegation (No. 105) to Foreign Office; Received May 31.)

Genève, le 24 mai 1923.

M. le Secrétaire général,

LE Comité international de la Croix-Rouge a été très sensible à l'envoi de votre lettre du 16 courant, lui faisant part de la résolution relative à la restitution des otages civils et à l'échange des prisonniers de guerre grecs et turcs que la conférence a adoptée à l'unanimité en date du 14 mai.

Nous serons heureux de communiquer cette résolution au Colonel Wildbolz, président de la Commission d'Échange, ainsi qu'à ses collaborateurs.

Nous saisissons cette occasion, M. le Secrétaire général, pour exprimer à la conférence combien le Comité international de la Croix-Rouge a été heureux, conformément à ses traditions humanitaires, de pouvoir contribuer au prompt rapatriement des malheureux prisonniers dans leur pays respectifs et à l'amélioration de leur sort.

Nous nous permettons à ce repos de vous rappeler, ainsi que nous vous l'avions exposé dans notre lettre du 8 mai, tout l'intérêt qu'il y aurait à concentrer ou rapatrier le plus tôt possible tous les prisonniers qui restent encore en Anatolie.

Ainsi que nous vous en avions fait part, le Colonel Wildbolz est rentré en Suisse et nous a présenté sur les opérations de la commission un rapport d'ensemble que nous vous envoyons sous ce pli en vous priant de vouloir bien le communiquer aux présidents de la conférence.

Je vous prie d'agréer, &c.

G. ADOR,
Président du Comité international de la Croix-Rouge.

Enclosure in No. 382.

Rapport adressé au Comité international de la Croix-Rouge par la Commission nommée à la Demande de la Conférence de Lausanne pour diriger les Opérations de Restitution des Otages civils et d'Echange des Prisonniers de Guerre grecs et turcs, conformément à l'Accord du 30 *Janvier* 1923.

NOTRE commission a été composée comme suit, conformément à l'accord du 30 janvier 1923 (chapitre 3, article 6):

Membres neutres.

Colonel-Commandant de Corps Wildbolz, membre de la Croix-Rouge suisse, président.
Dr. Lindsjoe, membre de la Croix-Rouge suédoise.
Dr. Page, membre de la Croix-Rouge suisse.

Représentant turc.

Muzaffer Bey.

Représentant grec.

Commandant Kottakis.

La commission s'est réunie à Athènes—elle a ensuite accompagné les transports et a siégé trois à quatre semaines à Smyrne.

Le 28 avril, elle s'est portée à Constantinople, où elle est restée jusqu'au 5 mai.

Dans tout son travail, notre commission s'est conformée exactement aux termes de cet accord en évitant autant que possible toute interprétation et toute extension (par exemple, échange des populations) faisant sortir la commission du champ d'activité qui lui était assigné.

Elle s'est appliquée à observer une neutralité stricte et équitable, et elle n'a pas craint d'exprimer nettement son opinion à l'un ou à l'autre parti là où elle le jugeait nécessaire.

Notre travail a été facilité par les relations personnelles très amicales qui n'ont cessé de régner entre tous les membres de la commission.

La Commission d'Échange, dont les membres neutres sont arrivés à Athènes du 7 au 9 février, n'a pu commencer son travail que le 15 (jour de l'arrivée du délégué turc).

La discussion des bases sur lesquelles devaient s'exécuter l'accord a été longue et souvent pénible, ce qui s'explique par le fait que les deux partis contractants se trouvaient encore en état de guerre et qu'il fallait compter avec la méfiance réciproque, naturelle dans ces conditions.

La Grèce devant toujours livrer ses prisonniers en premier lieu, voulait avoir certaines garanties au sujet des restitutions qui lui seraient faites en échange.

Les membres neutres se sont efforcés d'éliminer ce facteur fâcheux, en se portant garants de la bonne foi des deux partis. C'est ainsi que l'on parvint, enfin, à s'entendre le 23 février au sujet du tableau des transports que la Grèce avait établi.

Ce tableau donnait les chiffres d'environ 4,300 otages et prisonniers civils turcs qui devaient être rendus par la Grèce, et environ 340 officiers et 9,700 soldats qui devaient être échangés.

La suite des événements a montré combien il a été important d'établir d'une façon exacte ces chiffres. Nous avons pu ainsi éviter toute discussion ultérieure (à Smyrne, par exemple, ces discussions ont été maintes fois imminentes au sujet de la qualification de ces prisonniers: officiers ou non, militaires ou civils).

De part et d'autre, des doutes ont été émis à ce sujet et ces doutes ont mis plus d'une fois toute l'œuvre en danger.

Les premiers embarquements ont été fixés au 27 et 28 février. Ils ont eu lieu à cette date, conformément aux engagements qui avaient été pris par la Grèce.

La commission a chargé une dizaine de membres de la colonie suisse d'Athènes de l'accompagnement des bateaux et du service de contrôle. Elle tient à constater que ces messieurs ont rempli leurs fonctions à son entière satisfaction. Ils ont rendu des services précieux à l'œuvre du rapatriement.

II.

Le 28 février, à 2 heures du soir, est arrivé au Pirée l'ordre du chef du Gouvernement hellénique, M. le Colonel Gonatas, d'arrêter les embarquements et d'attendre de nouveaux ordres. Le soir seulement, le président de la commission a pu être reçu par le chef du Gouvernement et obtenir de lui des explications au sujet de cette intervention si brusque et si inattendue.

Le Gouvernement hellénique voulait par cette mesure protester contre les déportations des Hellènes du Pont, dont l'arrivée en masse eût créé en Grèce une situation difficile.

Le président de la commission a adressé le même soir au Ministre des Affaires étrangères de Grèce une lettre dans laquelle il exposait le point de vue de la commission : qu'aucune question politique ou autre, étrangère aux opérations strictement définies par l'accord du 30 janvier, ne devrait y être mêlée et en entraver l'exécution.

La commission a évité soigneusement dans la suite tout ce qui aurait pu aggraver la situation déjà si critique. Dans cet ordre d'idées, elle s'est abstenue de toute protestation publique ; elle s'est bornée à des entrevues avec les représentants du Gouvernement grec, au cours desquelles elle s'est efforcée de trouver une solution permettant de reprendre le plus rapidement possible les transports interrompus.

Enfin, le 14 mars, certaines garanties apportées du côté turc ont facilité au Gouvernement grec la reprise des transports qui fut fixée au 17 mars.

Un nouveau tableau des transports fut établi ; il a été exécuté ponctuellement par la Grèce.

Le 29 mars, les prisonniers civils turcs que la Grèce devait restituer en première ligne, conformément à l'article 1er, § (a) de l'accord, étaient arrivés à Clazomène. Le 4 avril, le dernier bateau grec transportant entre autres 250 officiers de Corfou entrait également au port de quarantaine de Clazomène, situé à 40 kilom. environ de Smyrne.

Notre commission eut le regret dans la suite de constater que les arrangements qu'elle avait prévu avec le représentant turc à Athènes n'avaient pas été entièrement compris par les autorités militaires de Smyrne.

Monsaffer Bey, rentré le 17 mars à Constantinople, a été remplacé par le Dr. Loutfy Bey, qui s'est donné une grande peine pour faire prévaloir le sens humanitaire qui avait inspiré les rédacteurs de l'accord. C'est grâce à son entremise que le Maréchal Fevzy Pacha, chef de l'État-Major général de l'armée turque, a fait droit à toutes nos réclamations et que l'échange s'est finalement effectué sur la base des chiffres fixés par le plan de transports.

Toutefois, dans la suite, des retards imprévus se sont produits. Le délégué turc avait vivement insisté pour que, suivant les termes de l'accord (article 4, chapitre 2) tous les prisonniers de guerre turcs de Grèce fussent transportés en une seule fois à Smyrne, ce qui fut fait. D'autre part, le commandant des camps de prisonniers grecs en Anatolie n'avait pu effectuer une concentration suffisante de prisonniers grecs à Smyrne ou à proximité immédiate. Les transports de prisonniers ne sont arrivés que très lentement de l'intérieur de l'Anatolie à Smyrne. C'est ainsi que le premier transport étant parti le 31 mars, le dernier bateau grec n'a pu quitter Smyrne le 20 avril. Trente officiers grecs qui n'avaient pu être livrés à temps par les commandants des camps devaient conformément à une convention spéciale signée le 17 mars—être embarqués pour le Pirée, le 5 mai au plus tard.

Les bateaux grecs durent de ce fait subir une très longue attente dans le port de Smyrne.

Il convient de mentionner ici que la brusque interruption des transports par le Gouvernement hellénique a été cause d'hésitations bien compréhensibles de la part des autorités turques.

Ajoutons que la Turquie a rendu 350 invalides, 25 médecins et 2 aumôniers grecs qui n'étaient pas compris dans les clauses de l'échange.

Le tableau ci-joint récapitule le chiffre des prisonniers civils et des prisonniers de guerre restitués (voir annexe).

Le très petit nombre des prisonniers civils grecs livrés par les Turcs s'explique par le fait que toutes les opérations militaires s'étant déroulées en Anatolie, les Turcs n'ont pas eu l'occasion de prendre des otages. D'ailleurs, les réclamations des Grecs ne portent que sur des sujets hellènes retenus contre leur volonté.

III.

La commission constate que la Grèce a rendu les otages et prisonniers civils ainsi que les prisonniers militaires turcs en bon état d'entretien et d'habillement. Beaucoup d'entre eux sont rentrés dans leur pays avec un bagage assez considérable.

C'est à Milos seulement que l'état des prisonniers civils a laissé à désirer et qu'une forte épidémie de typhus exanthématique a sévi.

La commission est intervenue le 28 février et des mesures sanitaires très efficaces ont été prises par le Gouvernement grec. Cependant, 300 prisonniers environ sont morts dans cette île. La comparaison du nombre de prisonniers turcs indiqués sur les listes qui ont été déposées par la Grèce en novembre 1922 à Lausanne avec le nombre des prisonniers turcs restitués à la Turquie par notre entremise, montre que la mortalité parmi ces prisonniers a été normale et ne donne pas lieu à des plaintes.

La commission regrette de n'avoir pas pu faire des constatations aussi satisfaisantes du côté turc.

Il est très probable que ce sont surtout les sujets grecs faibles et convalescents qui ont été rendus par la Turquie. Les prisonniers grecs prétendaient que les prisonniers parfaitement aptes au travail et ceux qui pratiquaient un métier quelconque ont été retenus, étant donné les services qu'ils rendent actuellement.

De fait, la majeure partie des 10,000 prisonniers de guerre rendus par la Turquie étaient dans un assez triste état physique. Ils étaient maigres et affamés et avaient les yeux hagards. Ils se jetaient sur les morceaux de pain qu'on leur donnait. Beaucoup d'entre eux avaient de la peine à se traîner jusqu'au bateau de rapatriement. Ils étaient vêtus de guenilles, beaucoup étaient nu-pieds ou n'avaient que des chaussures tout à fait insuffisantes. Bref, les embarquements présentaient un aspect lamentable et profondément attristant.

Nous nous sommes abstenus par principe de procéder à des interrogatoires, mais ce qu'ils racontaient spontanément était impressionnant. Ils prétendent que dans certains camps un très fort pourcentage de prisonniers auraient succombé. Un certain nombre sont morts dans le train et sur les bateaux.

Le Gouvernement hellénique, alarmé par l'état de ces prisonniers, a prié une commission internationale de procéder aux constatations et aux enquêtes que cette situation rend désirables. La commission d'échange se dispense par conséquent d'insister sur ce point.

Nous avons des raisons de croire que les autorités de Constantinople et d'Angora même n'avaient pas connaissance de cet état de choses.

Pour bien comprendre cette situation il faut tenir compte des divers facteurs qui sont intervenus : d'abord, le climat des hauts plateaux d'Anatolie paraît avoir eu une influence pernicieuse. Puis de violentes épidémies ont sévi et ont fait de nombreuses victimes. Enfin, l'immense étendue de l'Anatolie a créé des difficultés souvent insurmontables. Une calamité effrayante avait dévasté ce pays et sa population, qui vit en général dans des conditions très primitives. La guerre, à laquelle la population a pris une part active, en est devenue d'autant plus acharnée. La retraite grecque a été accompagnée de nombreuses destructions. Une violente exaspération en a résulté. Aujourd'hui encore les communications sont très lentes et très difficiles. Après toutes ces catastrophes dues à la guerre et après la modification si profonde de tout le système gouvernemental, la réorganisation administrative du pays ne peut se faire que très lentement. L'entente entre les centres gouvernementaux et administratifs (Angora, Constantinople et Smyrne) ne peut encore être que très incomplète. Enfin, il est probable que les soldats grecs lorsqu'ils ont été faits prisonniers souffraient des suites d'une très longue et très pénible campagne qui avait gravement compromis leur physique et leur équipement.

L'Anatolie ne disposait guère des ressources nécessaires pour remettre en état ces malheureux. Il faut donc se garder de juger trop vite et à la légère. Il convient d'entendre les deux partis et de se souvenir que le conflit est aggravé par des antagonismes profonds, de race et de religion.

Mais le Comité international de la Croix-Rouge, d'accord avec la société si bien intentionnée et si puissante du Croissant-Rouge, doit s'efforcer de sauver de ce désastre ce qui peut encore être sauvé. Il faut penser à l'avenir.

IV.

Malheureusement les organes gouvernementaux à Smyrne et à Constantinople nous ont déclaré qu'ils ne pouvaient fournir d'indications sur le nombre exact de prisonniers helléniques, officiers et soldats, restant encore en Anatolie. Ces organes n'ont pas pu nous renseigner non plus sur le nombre des camps et sur leur emplacement. C'est là un sujet de graves inquiétudes pour la Grèce et il est facile de le comprendre vu les bruits qui courent sur la mortalité effrayante des prisonniers hellènes en Anatolie. Une seule liste de 5,000 noms de prisonniers hellènes nous a été remise par les autorités turques au début de mai. Il est probable qu'un grand nombre de prisonniers qui y figurent viennent d'être rapatriés.

Le devoir impérieux de s'occuper du sort de ces prisonniers s'impose. La commission a l'impression que le Croissant-Rouge aussi bien que le Gouvernement d'Angora ont pris en mains cette tâche. C'est là l'essentiel et il est à espérer que ces efforts aboutiront.

Mais la commission est d'avis que la Grèce a le droit de demander certaines garanties. La Grèce voit que ces garanties dans l'inspection des camps de prisonniers hellènes par des organes neutres. Cette inspection sera très difficile, car les camps sont dispersés sur l'immense territoire de toute l'Anatolie; elle serait grandement facilitée par une concentration de ces camps aux environs de Smyrne ou tout au moins dans des localités facilement accessibles au secours. Il s'agit avant tout de savoir combien de prisonniers de guerre grecs se trouvent encore en Anatolie et d'obtenir leur listes nominatives. Il nous semble que le Comité international de la Croix-Rouge serait bien qualifié pour assurer la prompte amélioration du sort de ces malheureux.

La mesure la plus simple et la plus efficace serait le rapatriement immédiat et complet des prisonniers de guerre restés en Anatolie, ou leur internement sous une surveillance neutre.

V.

L'échange étant terminé dans ses grandes lignes, la commission s'est occupée d'organiser les "recherches" prévues par l'article 1er *(b)* et *(c)* de l'accord.

La Grèce et la Turquie ont déposé l'une et l'autre des listes (qu'elles donnent comme provisoires par lesquelles elles réclamaient chacune 2,000 à 2,500 sujets encore retenus en pays ennemi.

De part et d'autre on a commencé fin avril à concentrer ces prisonniers réclamés. Une bonne volonté évidente semble régner en Grèce comme en Turquie pour liquider ces questions. Les transports les plus importants seront probablement effectués d'ici à la fin du mois de mai.

On se trouve en présence de quelques difficultés pour fixer la nationalité actuelle de certaines catégories de sujets grecs ou turcs en Anatolie, en Thrace et dans les îles (par exemple à Mytilène).

Cependant, les pourparlers que la commission a eus à ce sujet à Athènes et à Constantinople permettent d'espérer que ces questions seront tranchées de part et d'autre dans un esprit large et conciliant. La commission a chargé le Dr. Page de diriger ce travail. Elle se tient à disposition pour le cas où son intervention deviendrait encore nécessaire.

VI.

La commission n'a donc pas encore terminé la tâche dont l'a chargé le Comité international de la Croix-Rouge. Elle a fixé l'état actuel de ses travaux par une note verbale qui a été remise le 4 mai 1923 à Constantinople à tous les intéressés.

La commission estime cependant que le travail le plus important est fait et elle croit de son devoir de vous remettre sans tarder ce premier rapport qui pourra être complété dans la suite.

La commission s'est toujours refusée à assumer les fonctions d'arbitre. Ce rôle ne lui appartient pas. Une seule idée l'a toujours dirigée: elle a voulu dans la mesure de ses forces contribuer à la pacification et à l'apaisement des populations si cruellement frappées. C'était là le but de l'accord du 30 janvier et de ceux qui l'ont élaboré.

La commission se fait un agréable devoir de signaler ici les services inestimables que lui ont rendu l'Amiral Bristol, Haut-Commissaire des États-Unis et commandant de la flotte américaine stationnée à Constantinople, en transportant nos délégués, notre correspondance et nos dépêches par ces destroyers. M. l'Amiral Bristol a infiniment facilité notre tâche et nous a évité les plus graves embarras. La flotte américaine a ainsi puissamment secondé une grande œuvre humanitaire.

Nous gardons aussi une profonde reconnaissance à Mr. Jennings du Y.M.C.A., qui, déjà lors de l'incendie de Smyrne a rendu d'inoubliables services à l'humanité. Lui et ses collaborateurs (Mr. Birdge) n'ont pas cessé durant toute l'activité de notre mission de nous apporter une aide des plus précieuses. Nous exprimons aussi nos plus vifs remerciements à son Excellence M. Wikstand, le représentant de la Suède à Athènes, et à M. le Dr. Jaeger, consul général de Suisse à Athènes, pour l'appui si efficace qu'ils n'ont cessé de nous donner.

Enfin, nous nous plaisons à constater les gracieuses facilités dont nous ont toujours entourés les hauts Gouvernements de Turquie et de Grèce.

Le Président de la Commission pour l'Échange
des Prisonniers turcs et grecs,
WILDBOLZ.

Genève, le 14 mai 1923.

Annex.

Statistique des Échanges des Prisonniers militaires gréco-turcs.

Ont été restitués par les autorités grecques, 9,748 prisonniers militaires turcs, et par les autorités turques, 9,748 prisonniers militaires grecs: par les autorités grecques, 329 officiers turcs, et par les autorités turques, 293 officiers grecs.

Statistique des Échanges des Prisonniers et Otages civils gréco-turcs.

Ont été restitués par les autorités grecques, 4,601 prisonniers et otages civils turcs, et par les autorités turques, 320 prisonniers et otages civils grecs.

No. 383.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(*Received May* 31.)

(No. 213.)
(Telegraphic.) *Athens, May* 30, 1923.

LAUSANNE telegram No. 132.

Commander-in-chief and head of navy, as well as Chief of Revolution, have expressed themselves as not altogether pleased with settlement, on the ground that resumption of hostilities would have allowed victorious Greek army to dictate terms (see my despatch No. 384). They, as well as certain section of press, describe settlement as a sacrifice to please the Allies. Wild and improbable stories of forthcoming *coup* by General Pangalos have been revived (see my despatch No. 269), and I consider resignation of either Veniselos or Minister for Foreign Affairs at this juncture would be a misfortune and play into hands of extremists, such as Commander-in-chief and head of navy.

Idea of separate peace has been talked of for some time (see paragraph 5 of my despatch No. 347), and, whilst disclaiming any intention of making peace without approval of the Allies, Greeks are well aware that their army is a trump card in hands of the Allies, and they argue that Turks would give Greece better terms in order to get it out of the way.

I must remind your Lordship that cause of recent crisis was absolute necessity of ending state of intolerable suspense. If not even a preliminary peace is now to be signed, suspense will continue with danger of more serious crisis.

(Sent to Lausanne; repeated to Constantinople.)

No. 384.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received May* 31.)

(No. 323.)
(Telegraphic.) R. *Constantinople, May* 30, 1923.

MY telegram No. 320.

Prefect has published statement announcing suspension of payment of bridge tolls "set aside as guarantee for Périer Loan." Though no mention is made of

National Bank, and the statement, which is thus a travesty of the facts, confuses banks' loan with subsequent Périer Municipal Loan, which acquired second charge on bridge tolls, I have told correspondents that I no longer wish to withhold news.

Adnan, who came to see me to-day, deplored, I think with sincerity, indiscretion of Vali and his own neglect at not arranging with censor to hold up statement. I told him I had nothing to do with municipality, and that as the Turkish Government had absolutely guaranteed strict fulfilment of municipal loan contract, it was his business to get immediate instructions sent by Turkish Government to prefecture to set matter right. *Status quo ante* in its entirety must be restored at once and first of all. Adnan said he had telegraphed to Angora in this sense, and that he would also telegraph Ismet on the subject. He said that he still hoped solution would be found, and I made it clear to him that it could not be found till a wrong had been entirely set right.

In the meantime, I am not able to advise more drastic action here. It is not a case in which force can usefully be applied. It is to be hoped that Turks will for once appreciate what is in their own interests and realise effect of their action not only on the London market but on negotiations at Lausanne.

(Repeated to Lausanne, No. 136.)

No. 385.

Mr Henderson to the Marquess Curzon of Kedleston. (*Received May* 31.)

(No. 324.) *Constantinople, May* 30, 1923.
(Telegraphic.)

ADNAN BEY read me to-day telegram from Reouf Bey calling attention to serious inconvenience which was being caused by incursions of Greek bands from islands (Mitylene, &c.) to mainland, and instructing him to request Allies to allow two Turkish coast defence vessels at present in Golden Horn to be used for patrol of coastal region there.

I told Adnan that I would telegraph request to you, but that there were various objections, such as allowing passage of these vessels through Dardanelles when no Greek vessels were allowed to pass.

At the same time, incursion of these bands is a real nuisance against which it would not be unjustifiable to allow Turks to protect themselves.

Threat, at least, to allow these coast-guard vessels to proceed to Ægean coast might possibly be used at Athens to put a stop to it.

I have repeated summary of this telegram to Commander-in-chief for any observations he may wish to make.

Adnan said he would not make definite official request unless he knew that it would be viewed with favour by His Majesty's Government.

(Repeated to Athens and Lausanne.)

No. 386.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 31.)

(No. 133.) *Lausanne, May* 30, 1923.
(Telegraphic.)

MY telegram No. 131 sent by bag last night.

My immediately following telegram gives French text of draft of a judicial declaration which is result of prolonged discussions throughout yesterday and at a meeting this morning. Ismet is prepared to accept this draft, which Allied delegates realise falls very short of Allied draft (see my despatch No. 18) in that instead of consent of judicial counsellors being necessary before arrests, &c., can be made, they will only be informed immediately afterwards. But Ismet's acceptance of this provision represents a considerable advance on Montagna formula, and if counsellors chosen are competent they should be able to ensure some measure of protection for Allied subjects against military action. We have also extended general functions of counsellors to whole of Turkey, instead of their being confined to two towns.

My colleagues and I are convinced that we shall not get any better conditions and it remains therefore for our Governments to decide whether by insisting on

inclusion in declaration of paragraph 5 of Allied draft they will risk a rupture of conference. I have no doubt that French and Italian Governments will accept present proposal.

With regard to paragraph 3, Ismet took exception to number of legal advisers and undertook to make a statement which can be recorded in *procès-verbal* to the effect that Turkish Government would engage at least four such advisers. He pressed for omission of last sentence of paragraph 3, stating that he would declare in committee that conditions of service and salaries of legal advisers would be fixed by Turkish Government in agreement with Permanent Court of International Justice.

M. Fromageot, who has borne brunt of discussions with Turks other than those in which Allied delegates took part, informed us that Turks could not agree to article 8 of Allied draft, which would bind them in perpetuity to make no changes in Turkish law relating to matters dealt with in article 6 and article 7. This article has been replaced by last sentence of Turkish draft.

At end of this morning's sitting we informed Ismet that latest draft fell so far short of Allied draft that we must seek instructions on the subject from our respective Governments by telegraph. He had to accept this statement on our part and did not revert to announcement he had made yesterday that he would not agree to discuss other big questions until question of declaration regarding judicial safeguards had been disposed of. We have therefore arranged to take exchange of options at a private meeting to-morrow afternoon.

No. 387.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 31.)

(No. 134.) *Lausanne, May* 30, 1923.
(Telegraphic.) *En clair.*

FOLLOWING is declaration referred to in my immediately preceding telegram :—

1. La délégation turque a déjà eu l'occasion de faire connaître que le Gouvernement de la grande Assemblée nationale de Turquie est en mesure d'assurer aux étrangers devant les tribunaux toutes les garanties d'une bonne justice, et qu'il est à même d'y veiller dans le plein exercice de sa souveraineté et sans aucune intervention étrangère; il n'en est pas moins disposé à faire procéder à des enquêtes et études pour introduire telles réformes que justifierait le progrès des mœurs et de la civilisation.

2. Dans cet esprit, la délégation turque tient à faire la déclaration suivante :

3. Le Gouvernement turc se propose de prendre incessamment à son service pour la période qu'il jugera nécessaire, et qui ne sera pas inférieure à cinq années, des conseillers légistes européens qu'il choisira sur une liste dressée par la Cour permanente de Justice internationale de La Haye parmi les jurisconsultes ressortissants des pays n'ayant pas participé à la guerre de 1914–18 et qui seront engagés comme fonctionnaires turcs.

4. Ces conseillers légistes dépendront du Ministre de la Justice et auront leur siège, les uns dans la ville de Constantinople, et les autres dans la ville de Smyrne; ils participeront aux travaux des commissions législatives et seront chargés de suivre, sans s'immiscer dans l'exercice des fonctions des magistrats, le fonctionnement des juridictions civiles, commerciales et pénales turques, d'adresser au Ministre de la Justice tous les rapports qu'ils estimeraient nécessaires; ils auront qualité pour recevoir toutes plaintes auxquelles pourraient donner lieu soit l'administration de la justice civile, commerciale ou pénale, soit l'exécution des peines, soit l'application des lois, avec mission d'en rendre compte au Ministre de la Justice à l'effet d'assurer la stricte observation de la Législature turque. Ils auront également qualité pour recevoir les plaintes auxquelles pourraient donner lieu les visites domiciliaires, perquisitions ou arrestations, ces mesures étant, d'autre part, dans les circonscriptions judiciaires de Constantinople et de Smyrne, portées sans délai, dès qu'elles sont effectuées, à la connaissance du conseiller légiste par le représentant sur place du Ministre de la Justice; ce magistrat aura en pareil cas qualité pour correspondre directement avec le conseiller légiste.

5. Dans les matières correctionnelles, la mise en liberté sous caution devra toujours être prononcée, à moins que la sécurité publique n'en soit de ce fait

compromise ou que la mise en liberté provisoire n'entrave la bonne marche de l'instruction de l'affaire.

6. Tous compromis et clauses compromissoires en matière civile ou commerciale sont permis et les décisions arbitrales ainsi rendues seront exécutées sur le visa du président du tribunal de première instance, qui ne pourra refuser son visa qu'au cas ou la décision serait contraire à l'ordre public.

7. La présente déclaration sera valable pour une durée de cinq ans.

No. 388.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received May* 31.)

(No. 135.)
(Telegraphic.) R. *Lausanne, May* 30, 1923.

IN two sittings yesterday and to-day, committee of experts agreed upon new draft of article 2 necessitated by change in Graeco-Turkish frontier at Karagatch and upon text of article to be added to Thracian Frontier Convention regarding transit over (1) Turkish and (2) Greek sections of railway between Kuleli Bourgas and Graeco-Bulgarian frontier. Frontier is correctly given in small sketch map in "Times" of 28th May, except that it leaves Arda at a point to be fixed by delimitation in neighbourhood of village of Tchenirekkeui, lying 2 kilom. south-west of railway bridge over Arda, and reaches Maritza at a point 1 kilom. south of village of Beshakeui. Same commission will also decide whether former village shall be included in Greece or in Turkey on basis of Greek or Turkish majority population existing on 12th October, 1922.

Additional article is similar to that already adopted by First Committee on 16th May (see my despatch No. 40) except that (*a*) first paragraph provides for reciprocal freedom of transit for Greece and Turkey over all three sections; (*b*) second paragraph is replaced by new one obliging Turkey, as regards transit rights for Bulgaria over Turkish section of line, to give Bulgaria same treatment as that accorded her by Greece under article 4 of Western Thrace Treaty of 10th August, 1920. (*c*) League of Nations commissary is to be assisted by Bulgarian as well as Greek and Turkish assessors; (*d*) after five years Council of League of Nations may decide, on demand of any of three Powers, whether control by League of Nations commissary is to continue.

Bulgarian delegate assisted at second meeting and accepted article without demur.

M. Veniselos also raised new points regarding right of inhabitants of Greek race on Turkish territory west of Maritza to stay if they wish, or, if they choose to leave, to benefit by machinery for liquidating property, &c., provided by Exchange of Populations Convention. Without some such stipulation inhabitants, in so far as they are Turkish subjects of Greek Orthodox religion, would be compulsorily exchanged under latter convention. Turks have not yet agreed, and matter will have to come before First Committee unless experts can meanwhile find privately a basis of agreement.

No. 389.

Mr. Henderson to the Marquess Curzon of Kedleston. (*Received May* 31.)

(No. 326.)
(Telegraphic.) R. *Constantinople, May* 31, 1923.

MY despatch No. 310.

Turkish press announces that as it is unlikely that present Grand National Assembly will be able to form quorum on 2nd June it is probable that Assembly will not meet again until after elections.

Turkish exchange has appreciated from 770 to 670 piastres to the £, since settlement of Graeco-Turkish indemnity dispute.

(Repeated to Lausanne, No. 137.)

No. 390.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 2.)

(No. 136.) [By Bag.]
(Telegraphic.) *Lausanne, May* 31, 1923.

IN the Third Committee this morning certain outstanding points on the economic clauses and the reports of the economic experts on the fiscal clauses of the "Etablissement" Convention and on the Commercial Convention were considered.

Article 73.—The reserve of the Turkish delegation with regard to the inclusion of the words "y compris les espèces, titres et valeurs" was mentioned, but no decision was come to and the reserve remains.

Article 78.—The Japanese delegation asked that Japan should be included in this article. The Turkish delegation raised no objection in principle, but it was left to the Japanese delegation to explain to the Turkish delegation the necessity for Japan being included. The article was also referred for examination by the financial experts, in order to determine its financial effect.

Article 82 (*e*).—There was considerable discussion on the wording proposed by the Allied experts (see my despatch No. 83 of 23rd May), to which the Turks refused to agree, and the matter was referred to the jurists to consider. The Turks had admitted in sub-committee that they had in mind the Vickers-Armstrong Docks case. They tried to make out to-day that the position of concessionaries would not be prejudiced by anything in the present article, but I said that this did not satisfy me, as the proposed text might impair the very basis of the negotiations at Angora in the case of Vickers-Armstrong.

Article 87.—The text proposed by the economic experts in their report of 28th May (see my despatch No. 113 of 31st May) was accepted.

Article 89.—The modification of this article, proposed in the report of the economic experts of the 21st May (see my despatch No. 83 of 23rd May) was accepted.

Articles 89 *and* 93.—The proposal in the experts' report of 26th May (see my despatch No. 104 of 29th May) to exclude Japan from the section dealing with contracts, was accepted.

Fiscal Clauses of the "Etablissement" Convention.

The recommendations contained in the economic experts' report of the 22nd May (see my despatch No. 91 of 24th May) were accepted subject to the modifications suggested in the Drafting Committee's note of the 25th May (see my despatch of 95 of 26th May).

Commercial Convention. (See text and covering note by experts sent home in my despatch No. 106 of 29th May.)

Article 2.—It was agreed at the end of the penultimate paragraph to substitute "livres sterling" for "livres turques or."

Article 9.—The third and fourth paragraphs dealing with cabotage were reserved. This will be dealt with ultimately by a letter being written to the British, French and Italian delegations agreeing to give modified cabotage rights for a limited period to some of their undertakings which were engaged in this business before the war.

Article 14.—It was agreed to modify the Turkish condition of adhering to the Berne Convention as regards the right of translation by limiting it to the right of translation into Turkish.

Article 17, dealing with the proposed adhesion of non-signatory Powers, was reserved after the Allied delegates had admitted that the proposal to allow non signatory Powers generally to adhere was too wide, but had maintained that the right to do so should be given to certain Powers like Belgium, Portugal and Czechoslovakia.

Article 18.—After some discussion Riza Nour stated that, as a compromise, the Turkish delegation would accept the proposal of the Allied experts if the period were reduced from thirty months to two years in respect of Greece, Roumania and Serbia. The Roumanians and Serbians said that their instructions did not allow them to accept this compromise, and the question was reserved for them to obtain further instructions. The difficulty arises through the reluctance of the Turks to

accord so long a period to Greece, and it is clear from private conversations that Turkey would be willing to accept the article in the form proposed so far as regards Roumania and Serbia, if she could get the period limited to one year so far as regards Greece.

Subject to the above points, the articles prepared by the economic experts were accepted.

No. 391.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received May 31.)

(No. 137.)
(Telegraphic.) *Lausanne, May 31, 1923.*

YOUR telegram No. 45.

My delegation and I are very grateful to His Majesty's Government, and to your Lordship in particular, for your generous appreciation of our work, and your message greatly encourages us. The results you obtained and the respect which you inspired in Ismet Pasha during the first phase of conference have been responsible for such measure of success as we have been able to achieve during second phase, whilst immediate action you took in inducing French and Italian Governments to drop their demand for reparations from Turkey was decisive factor in solution of Greek reparation question.

Ismet Pasha is much gratified by your message, which I will also convey to M Venizelos when the latter returns from his three days' private visit to Paris.

No. 392.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 48.)
(Telegraphic.) *Foreign Office, May 31, 1923.*

YOUR telegram No. 132 of 30th May: Separate Græco-Turkish peace.

As events appear to be moving fast now, I agree that it would be preferable that M. Venizelos should wait, at any rate for a week.

(Repeated to Athens, No. 95.)

No. 393.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 180.)
(Telegraphic.) R. *Foreign Office, May 31, 1923.*

YOUR telegram No. 320 of 29th May: Turkish seizure of toll receipts of Galata Bridge.

I approve your action.

(Repeated to Lausanne, No. 49.)

No. 394.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 98.)
(Telegraphic.) R. *Foreign Office, May 31, 1923.*

YOUR telegram No. 211 of 29th May: Greek fleet.

I concur.

(Addressed to Athens, No. 98; repeated to Lausanne, No. 50, and Constantinople, No. 181.)

No. 395.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 51.)
(Telegraphic.) *Foreign Office, May 31, 1923.*

YOUR telegram No. 126 of 28th May: Restoration of naval and military stores to Turkey.

Your assumption regarding warships is correct.

As regards arms and munitions and other military stores, I approve your suggestion. You will, however, realise the importance of maintaining the principle that His Majesty's Government were free to dispose of the material under the terms of article 20 of the Mudros Armistice, and are therefore free of all liability for anything except what is in their hands when treaty comes into force.

No. 396.

The Marquess Curzon of Kedleston Sir H. Rumbold (Lausanne).

(No. 52.)
(Telegraphic.) *Foreign Office, May 31, 1923.*

FRENCH Ambassador, in discussing with me to-day question of military evacuation, informed me that it was possible, though not perhaps very likely, that the French Parliament, owing to necessary formalities, might not be able to ratify treaty, even if ratified by Angora and the other Powers, in the course of present parliamentary session, which ends in July, and that French ratification might, therefore, have to be postponed till October. When I asked him what would happen to the treaty in the interim, he replied that presumably it could not come into force. Technically this would, I suppose, be true. But I doubt whether that is view that will be taken by the Turks, who probably look forward to early operation of entire treaty. Please inform me of your views and consult your legal committee on the point. It obviously affects the question of evacuation.

[E 5670/1/44] No. 397.

The Marquess Curzon of Kedleston to the Marquess of Crewe (Paris).

(No. 1851.)
My Lord, *Foreign Office, May 31, 1923.*

THE French Ambassador in the course of a long conversation this afternoon raised several points of importance. The first of these was with regard to the steps to be taken arising out of the probable conclusion of the Treaty of Lausanne. Were His Majesty's Government, he asked, prepared to arrange for immediate evacuation of their forces as soon as the treaty had been ratified by Angora? I said that the reply must to some extent depend upon the probability of early subsequent ratification by the Governments of Great Britain, Italy and France. I did not know whether a Bill would be required in the British Parliament for the purpose, but I believed not. In that case, although we were not legally bound to submit the case to Parliament, in all probability we should do so, and a debate would take place in both Houses. I did not anticipate this need take any length of time, inasmuch as everybody was more than anxious to conclude peace, and I thought that it ought to be possible within a fortnight of acceptance by Angora for ratification to take place here. What the Italian procedure might be, I did not exactly know, but I believed there would be even less difficulty there. The point therefore remained, what would happen in France?

Upon this the Ambassador explained that there might be delay, in view of the nece sary formalities of examination of the treaty by the various Foreign Affairs Commissions, in obtaining ratification before the present parliamentary session came to an end in July. He thought this was unlikely, but it was a contingency that might have to be faced.

I then asked him two questions: firstly, whether there was the least likelihood in these circumstances of the French Parliament requiring any modification of the text when it had already been accepted at Angora; and, secondly, why it should not be possible for M. Poincaré, even at the cost of a slight prolongation of the session, to insist upon the matter being settled before the Chambre des Députés arose.

The Ambassador replied that he did not think any modification was probable, but French parliamentary difficulties were not so easily overcome. He even foresaw that in that case ratification might be postponed till October.

I replied that this was a proposition which I viewed almost with dismay, and I urged him to press upon his Government the supreme importance of expediting the matter. When, however, I went on to ask him what he assumed would happen to the treaty in the interval before ratification by France, assuming the latter to be delayed till October, he greatly astonished me by replying that the treaty could not come into operation in the interval, and apparently we should be driven back to the *status quo ante*.

I told his Excellency quite plainly that I doubted very much whether the Turks would accept this new situation. On the contrary, I anticipated that the moment they had ratified they would expect the treaty to come into operation at once, and a postponement of four months was the last thing they had in mind. I said that I would make enquiries upon this point, and that in the meantime the question of evacuation could not be finally decided.

Count de Saint-Aulaire then went on to complain of an arrangement which had been made between a British railway group for a railway in Anatolia with a Swiss group, who held some of the shares. He contended that this was entirely contrary to the Treaty of Versailles, and could not be tolerated by the French Government. I was unaware of the case, which had not reached me officially, though I had reason to believe that the facts were not at all as represented by him.

His Excellency then proceeded to comment with some anxiety upon the contemplated enquiry into the administration of the Saar. Reading from a paper, which he held in his hands and which he told me was a despatch from M. Poincaré, but of which he did not leave me a copy, he declared that France could not assent to any enquiry into the Saar administration, that the recent strike had been a purely political move organised by the Germans in connection with the occupation of the Ruhr, that it had had to be sharply dealt with by the French Chief of the Administration, who had broken the back of the strike, and that the ordinance, of which a complaint had been made, had now been, or was about to be, withdrawn by him. In these circumstances there was, in the French Government's opinion, no case for enquiry.

I replied that, according to our information, this was far from being the case. The matter was not one of the recent strike alone, or of the ordinance that had apparently been withdrawn. Grave points had been raised concerning the administration of the area during the past year. We had given pledges to Parliament that at the next meeting of the Council of the League we should raise the matter, and we had already informed the other Governments represented on the council of our intention. In these circumstances, it was impossible for us to desist. Did the French Government, I asked the Ambassador, really contest the position that the Council of the League of Nations had a right to enquire into an administration set up by itself? Was it not both at liberty to do so and bound to do so if a serious case was made for enquiry? I could not say what view the members of the council might take. Of course, it was possible that they might say that no case for investigation had arisen, or they might decide by a majority not to concede it. But this, I thought, was a very unlikely position, and I could hardly anticipate that in some form or another the enquiry would not be held.

When the Ambassador went on to ask if I contemplated a local investigation by persons sent into the Saar Basin for the purpose, and to say that this was a suggestion which his Government could not possibly accept, I replied that the form and nature of the enquiry were for the Council of the League and not for myself to settle, and I could form no idea, supposing them to agree to the enquiry, as to the form which they might decide to give to it.

His Excellency then turned to the question of the forthcoming German note, and enquired with some anxiety whether it had been communicated to me and whether I proposed to express an opinion about it.

I replied that I had declined to receive a communication on the subject from the German Ambassador, preferring not to express any opinion before the note was officially delivered, and that to that attitude I should adhere.

He then expressed some nervousness at the report that Herr Bergmann had been in London and had had interviews with Mr. Reginald McKenna. Upon this I could give him no information, as it was the first I had heard of it.

I am, &c.

CURZON OF KEDLESTON.

[E 5818/1482/44] No. 398.

Mr. A. Parker to Mr. Oliphant.—(*Received June* 1.)

My dear Oliphant, *St. James's Street, London, May* 31, 1923.

YOUR letter of yesterday reached me this evening, too late for me to let you have an answer to-day.

The case of the British group is stated very accurately in a message which appeared in the "Times" of the 19th May, 1923, from Lausanne. Although it appears as from the special correspondent of the "Times" at Lausanne, it was dictated by me, so that I need not repeat the statement of facts which you can read in print and refer to.

Subject to your referring to that article in the "Times," I need only make a few additional remarks:—

1. It is inaccurate and invidious to say that "la Banque Schröder a exprimé," &c. What happened was that "Schröders and Rothschilds," who are managers of the British financial group, issued an invitation, on behalf of the whole British financial group, to the French and Italian groups to come to London to discuss in the most friendly way French and Italian participation in the future development of the undertakings in question.

2. The British group consists of five banks, viz., Rothschilds, Schröders, Westminster, Lloyds and National Provincial, and each have an equal voting right in the British group.

3. The French and Italians, although our invitation has been repeated, have not come, and this though they were told of my impending departure for Angora, and that if they did not come before I left they must wait till I returned in July.

4. We have been secretly informed by Count Vitali that the French have not come solely owing to political pressure from Italy. Italy has no existing railway assets and no new money, and she hopes by political pressure to obtain something for nothing. Owing to the Ruhr, M. Poincaré did not feel able to resist Italian pressure about the Anatolian Railway.

5. We, the British group, were informed by the Foreign Office, some months ago that there was nothing to prevent any group obtaining control of the Swiss Bank; His Majesty's Government were powerless in the matter.

6. The Treaty of Sèvres and the Tripartite Agreement are dead, and the Foreign Office have more than once told me, and stated in Parliament, that there is no use in appealing to the Treaty of Sèvres. I do not see, therefore, that I can usefully comment on the French appeal to unratified treaties. Forbes-Adam told me recently at Lausanne that the Italians themselves had officially written to the Foreign Office that they regarded the Tripartite Agreement as obsolete; he added that in his judgment any claim Italy might have under political agreements made before 1919 with His Majesty's Government would, so far as Asia Minor were concerned, be amply met by our offer of a 12½ per cent. participation in the proposed new company (the National Railways of Turkey).

7. It may be useful now to state what the British financial group have done. They have acquired control not of the Oriental Bank of Zürich but of the portfolio of that bank. Two considerations are important: (*a*) The portfolio consisted of roughly (and on the average) 60 per cent. in the Anatolian Railway, the Haidar Pasha Port Company, and the Mersina–Adana Railway; (*b*) that portfolio was mortgaged to the debenture-holders of the Orient Bank, such debenture-holders being entirely of Swiss nationality.

8. What the British group have acquired, at great expense and with hard work and enterprise, while French and Italians merely vacillated between parsimony and panic, is control over an asset in effect specifically mortgaged to Swiss. It is not a German asset, for it was mortgaged to Swiss, and the Swiss made it a *sine quâ non* that there should be British control over the future railway, as they have confidence that such control will be efficient.

9. Equally divided control over the railway is economically and technically impracticable; neither the Swiss, nor the British, who are *beati possidentes* and have incurred all the risk of the transaction, will agree to it. It is also incompatible with the raising of fresh capital in London for reconditioning the lines.

10. We understand that the 40 per cent. of interest in the Anatolian Railway, &c., not held by the Orient Bank are held largely by Turks and neutrals, but not at all or in very small measure by Germans. As, however, the British group now hold control, they can compel the 40 per cent. to accept any terms they deem fair. This is especially so inasmuch as the British group hold also a large number of debentures in the Anatolian Railway and so could force a liquidation of the concern at any moment.

11. How in these circumstances any German control can be held to exist surpasses my comprehension. The British financial group propose to constitute an Anglo-Turkish Trust Company to hold the 60 per cent. interest they have acquired, as explained in paragraph 7 of this letter; 80 per cent. of the capital of this trust company will be British.

12. The British group, so long as they were bound to the French and Italians, took no independent action. The French, through various channels, tried, but failed, to obtain control of the Orient Bank.

13. It was only after the agreement between the French, Italians and British had lapsed last February, that the British group intimated their wish to resume liberty of action, and then—when they were free—started negotiations which the French had attempted indirectly while they were not free. The British group apprehended a repetition of the "Orientaux" incident.

14. As you are kind enough to invite my views, I would express the confident hope that His Majesty's Government will support the British group, expose the sophisms of the French memorandum, and suggest that French and Italians should meet us in friendly discussion so soon as I return from Angora in July. It might be added that, if a unification of railways in Turkey can be brought about, the French, bringing in the Cassaba, would doubtless increase their ultimate participation in the joint undertaking.

15. I have been surprised at the enthusiasm excited in England and Scotland by the transaction the British group have carried through. We have received countless enquiries from big engineering and other firms who see a chance of large orders for the British manufacturers and a field for providing work for our unemployed.

Yours sincerely,
ALWYN PARKER.

No. 399.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received June* 1.)

(No. 327. Personal and Secret.)
(Telegraphic.) *Constantinople, May* 31, 1923.

I GATHER from usual sources that irritation of Council of Ministers with Ismet for exceeding their instructions has been allayed by latter's explanation of situation and of his efforts to achieve peace by getting early discussion of main outstanding questions, *i.e.*, judicial régime, public debt, evacuation and foreign companies.

Ismet pointed out on 29th May that if agreement be not reached on other questions, that of Greek reparations can again be raised, inasmuch as nothing had yet been signed, and he has stated to Allies that recent sacrifice was only made in return for Allied concessions in other matters. Ismet explains that in the same way as during first conference he acted on principle of settling with danger of strongest enemy first, so in present instance he thought it expedient to solve question which might be regarded by Turkey's most dangerous enemy as pretext for war.

Ismet also points out elsewhere that once Greek reparation dispute has been settled and menace of Greek army thereby eliminated as a weapon against Turks, Allies cannot hope to achieve any result by use of threats in other questions. He observes that if rupture eventually takes place either Greek army will not move, having no particular reason to do so, or if it moves will do so with Allies and on clearly stated ground that it is defence of their cause. Such situation would in

Ismet's opinion be morally and materially preferable to a Greek attack on account of indemnity.

Generally speaking, Ismet denies that his action in last crisis has prejudiced Turks' position should rupture ultimately take place, and he describes his difference of opinion with Angora as one of procedure, not of principle. He says question of peace is 95 per cent. settled.

It would seem, however, clear that Ismet's position will be likely to be very difficult if he cannot succeed in showing some serious compensating advantages for his Greek surrender.

(Repeated to Lausanne, No. 138.)

No. 400.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 2.)

(No. 138.) [By Bag.]
(Telegraphic.) *Lausanne, May* 31, 1923.

IT will be necessary shortly to take a decision as to whether Russia should be given another chance of signing the Straits Convention at the same time as the other Powers. Your Lordship will recollect that, at the last meeting of your political commission on 1st February, M. Chicherin rejected the convention, and that no satisfactory reply has been sent to the Secretary-General's letter of 12th April, enquiring whether the Russian Government were disposed to reconsider their decision and sign. In these circumstances we must decide whether to regard the Russian rejection as, for the moment, final, and proceed to sign without them, or to enquire again whether they are now prepared to sign. My French and Italian colleagues, with whom I have discussed the question and who are telegraphing in the same sense to their Governments, agree with me that the former course is preferable. If it is adopted Russia will have, under article 19, the right to adhere at any time, and we think that to approach them again in existing circumstances would be undesirable for various reasons, including the probable attitude of the Swiss Government.

In consequence of M. Chicherin's original rejection of the convention, some slight consequential alterations were provisionally made in the preamble and article 12 of the text as it appears in the draft of 31st January. Russia was struck out of the preamble, and article 12 was amended so as to preserve Russia's right to be represented on the Straits Commission in the event of her acceding to the convention. These alterations appear in the text of the convention as printed in the French Yellow Book (volume 2, pp. 84 and 90), and are consequently familiar to the Turkish delegation.

If the first course indicated above is adopted, we should propose to maintain these alterations, and I do not anticipate any substantial difficulty in obtaining Turkish consent.

I should be grateful for early instructions as to which of the above two alternatives should be adopted.

No. 401

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 2.)

(No. 140.) [By Bag.]
(Telegraphic.) *Lausanne, May* 31, 1923.

MY telegram No. 139.

It will probably be necessary to insert in the treaty an express provision that the foreign post-offices shall be wound up, as the Turks are inclined to make difficulties otherwise regarding the revival of the international postal conventions. If such a provision should be inserted it would become operative when the treaty comes into force. I was, therefore, anxious to make sure that the General Post Office would have no difficulty owing to lack of notice in winding up the office in Constantinople.

I quite agree that the best time for the actual closing of the office will be when our troops evacuate Constantinople. If it should be arranged that we evacuate

after the ratification of the treaty by the Turks, without awaiting other ratifications, the effect of closing the office simultaneously with the evacuation of Constantinople will simply be to anticipate the effect of the relevant clause in the treaty. If the evacuation takes place only after the treaty comes into force, the said clause would be satisfied by closing the office at an early stage in the evacuation.

I understand that the question of closing the Smyrna office will not arise, as it has not, so far as I know, been reopened since the fire, although I believe the acting consul-general at present gives some facilities to British subjects for the transmission of letters. In any case, if there are any British postal arrangements in existence in Smyrna it will be natural to bring them to an end simultaneously with the closing of the Constantinople office.

No. 402.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 2.)

(No. 141.) [By Bag.]
(Telegraphic.) *Lausanne, May 31, 1923.*

A PRIVATE meeting was held this afternoon between the chief delegates to endeavour to settle the question of the currency of payment of coupons of the pre-war Turkish loan.

General Pellé explained the Allied point of view that it is impossible to deprive the bondholders of their rights by a provision in the treaty, and emphasised the magnitude of the financial concessions already made to Turkey. I supported him, quoting the arbitrary action of the Angora Government in connection with the revenues pledged to the Constantinople Municipal Loan, and also reading out the letter from the Council of Foreign Bondholders to the Foreign Office. I said that, if the Turkish delegation simply wanted us not to prevent them from negotiating with the bondholders, there was no difference of opinion between us, and we had already fully met their desire. Ismet Pasha said that he recognised that the contractual obligations of the Turkish Government existed unchanged, but that, in fact, it was impossible to effect the service of the loans in sterling, as this would mean the ruin of Turkey.

We had asked him to waive reparation from Greece on the ground of her inability to pay, and we should take the same consideration into account in this case. He was prepared to confirm the privileges of the Ottoman Debt Administration, but not to confirm the exchange provisions in the loan contracts.

After some discussion, I suggested that both parties really agreed on two points: (1) that in law the contractual obligations of the Turkish Government remained unchanged, and (2) that, in fact, the Turkish Government is free to negotiate with the bondholders. I therefore suggested that the question should be referred back to the experts to find a suitable form of words to express the points on which both parties agreed. This suggestion was adopted.

No. 403.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 1.)

(No. 142.)
(Telegraphic.) *Lausanne, June 1, 1923.*

YOUR telegram No. 52.

I adhere [? generally] to views expressed in my telegrams Nos. 121 and 122. If anything, I am strengthened in view that we should do well to agree to evacuate Constantinople and Dardanelles, beginning with former, as soon as Turkey ratifies Peace Treaty. Settlement in principle in this sense in the course of next few days, combined with settlement of judicial declaration on lines now proposed, if Allied Governments approve of these, is just what is required to consolidate Ismet's position *vis-à-vis* Angora, and he would have greater courage to meet us half-way over questions of debt and concessions.

We have ourselves something to gain from point of view of economy by early evacuation. Politically show of generosity would have some little favourable effect on our future relations with Turks. Fact that French ratification may be delayed until autumn is further reason for not waiting until treaty comes into force

From our own point of view it is not desirable to wait so long with continuing expenditure and with risk of incidents in occupied area. In Turkish eyes delay, which would be caused if His Majesty's Government ratified treaty in July, but waited for French ratification before evacuation, would give us appearance of wanting to keep our foothold at all costs, as Turks have always regarded occupation as British enterprise into which we have dragged unwilling Allies.

Turks are so keen on securing acceptance of their proposal that they would almost certainly agree to subsidiary conditions, which it would be useful to impose, viz.: (1) That ratification by Greece and Turkey only should re-establish state of peace between these two Powers, and (2) that provisions of Convention for Régime for Foreigners and Commercial Convention should be applied in Turkey as from date of Turkish ratification. My legal expert thinks it should not be impossible to devise suitable instruments to provide for these, and former would satisfactorily dispose of M. Venizelos's proposal for separate preliminary peace between Greece and Turkey.

I will discuss matter confidentially with my French and Italian colleagues who I think will agree. I send this reply at once, however, as I consider it urgent that Allied Governments should agree without delay on common lines.

Only means of providing for whole treaty to come into force in advance of French ratification would be either to expedite ratification by Great Britain, Italy and Japan, or to reduce the number of principal Allied Powers whose ratification is necessary for its coming into force. Former method would probably break down on delay over Japanese ratification. Latter would involve question with France so delicate that I doubt whether it would be wise to raise it, nor do I think it would be necessary to do so if programme outlined in paragraph 3 above could be carried out.

No. 404.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 1.)

(No. 143.)
(Telegraphic.) *Lausanne, June 1, 1923.*

I SHOULD be glad to learn whether particular importance is attached to retention of article 156, Allied draft treaty. Turks cannot be expected to accept it in its present form, because it binds them to accede to Arms Traffic Convention, which no one has ratified, and also to any future conventions on the subject. The only possible course is to endeavour to get them to accede to existing provisional arrangement, under which convention is to be applied only to prohibited zones dealt with in chapter 2, but Turks will object to this, because countries concerned are neighbours of theirs, and I am convinced that they would not in practice fulfil any obligations which they might accept. Whole position of convention is provisional and unsatisfactory, and only solution would probably be for League of Nations to take whole question up, in which case Turkey would presumably be party to whatever arrangement was reached. In these circumstances, I am strongly in favour of dropping article.

I should be glad of early reply, as I am anxious to dispose of matters outstanding in First Committee on Monday.

[E 5699/6/44] No. 405.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 2.)

(No. 409.)
My Lord, *Athens, May 26, 1923.*

WITH reference to my telegram No. 205 of the 25th instant, I have the honour to transmit herewith a memorandum* kindly supplied me by Mr A. J. B. Wace, head of the British School of Archæology, regarding a conversation which he had on the 24th instant with Colonel Plastiras, the chief of the Revolution. It is obvious that Colonel Plastiras's remarks were made for my benefit. Your Lordship will realise that his statement that the delegation at Lausanne would withdraw if the indemnity question was not settled by to-day, was made before I had delivered the message contained in

* Not printed.

your Lordship's most urgent telegram No. 87 of yesterday, which I received after dinner last night and immediately delivered, and which is to be considered by the Cabinet this morning.

2. I venture to draw your Lordship's attention to Colonel Plastiras's remarks that the Greek army would occupy Eastern Thrace and Constantinople, and then compel the Turks to make peace, but that the Greek Government had no wish to retain Constantinople or Eastern Thrace, and would be content with the Maritza frontier if necessary. Your Lordship will recollect the colonel's words to another Englishman last February (see my despatch No. 161 of the 1st March) to the effect that Constantinople might be internationalised, but that Greece would wish to retain Eastern Thrace. M. Politis, head of the Political Bureau at the Ministry for Foreign Affairs, has, in various conversations with me, always maintained that with Eastern Thrace in her hands, Greece could negotiate a more successful peace with Turkey, and that the Chatalja line would be a much easier frontier to defend than the Maritza (see my despatch No. 384 of the 16th instant).

3. As reported in my telegram No. 185 of the 19th instant, I do not believe that a victorious Greek army would enter Constantinople against the wishes of the Allies this year, any more than it was prepared to do in the summer of 1921 and again in the summer of 1922, unless, of course, the Turks started massacring Christians, and repeating the tragedy of Smyrna. In that case no Greek army could possibly be expected to remain quiet. I think that, in the event of a resumption of hostilities, the ideas set forth in my telegram No. 187 of the 21st instant, would be likely to prevail.

4. Another point to which I desire to draw your Lordship's attention is Colonel Plastiras's remark that even an unsuccessful war could not hurt Greece more than an indefinite prolongation of the present discussions at Lausanne. But, as I remarked in my despatch No. 384, in military circles, and indeed in the country generally, the war is not expected to be unsuccessful, but it is calculated to end in victory, and people appear now to be anxious to take the plunge before Greece is exhausted.

5. Colonel Plastiras also said that the defeat of the Turks was in England's interest, and in this he voiced what is so often said, both by responsible people and in the press. In my telegram No. 184 of the 19th instant, I referred to a statement of the Prime Minister, to the effect that as war would serve the interest of the Allies even better than those of Greece, he hoped that the Allies would not act in opposition to their own interests. An official in the Ministry for Foreign Affairs told my Russian colleague a few days ago that, although he knew that the French Minister and I had been urging moderation whilst the conference was sitting, he also was sure that England and France, whatever they might say officially, really wished to see the Greeks defeat the Turks. The press counts at least on a benevolent neutrality on the part of the Allies in the event of the resumption of hostilities. Colonel Plastiras, it will be noticed, declares that the sympathy of the Powers has been of no use to Greece, so that the latter would not be worse off by acting against the Powers' advice.

6. The attitude of Serbia has been a matter of considerable anxiety to the Greek Government, but since the Salonica Agreement was reached they appear to have been reassured on this point, and the official recognition by Serbia of King George II, which is to take place to-day, will naturally strengthen the feeling of reassurance. In my telegram No. 204 of the 25th instant, I reported that the Prime Minister had informed the press that Serbia had given very favourable assurances to Greece respecting her attitude in the event of war, and the Serbian Minister, who returned from Belgrade a few days ago, is reported in the press to have said that, if Greece, without the approval but under the inspiration of the Allies, embarked on war, Serbia would range herself at the side of Greece. He added that Serbia was the ally of Greece, and followed these questions with a truly friendly interest. She would in no case permit Bulgaria to worry Greece.

7. Colonel Plastiras's remarks about Cretan volunteers coming in are further confirmed by reports reaching me from British and American visitors who have returned from Crete to Athens in the course of the last week, and who state that there were appreciable numbers of young Cretan volunteers on board all the ships in which they travelled.

8. The Government are moreover receiving offers of service from considerable numbers of demobilised officers, and Colonel Plastiras has issued an order recommending acceptance of their services, and thanking them on behalf of the country.

I have, &c.

C. H. BENTINCK

No. 406.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 2.)

(No. 328.)
(Telegraphic.) R. *Constantinople, June 1, 1923.*

KHEDIVAL mail steamships "Famaka" and "Belkas," when passing Cape Baba in daylight on 2nd and 26th May respectively, were fired on with rifles from Turkish coast, several bullets striking ships.

I am making representations to Turkish representative on the subject, but I anticipate reply attributing mistake to Turkish nervousness as regards Greek bands (see my telegram No. 324).

(Repeated to Lausanne, No. 139, and Athens, No. 63.)

No. 407.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 2.)

(No. 331. Most Secret.)
(Telegraphic.) *Constantinople, June 1, 1923.*

DEADLOCK has again been reached between Ismet and Council of Ministers. Ismet proposed to Angora three solutions for debt interest question:—

(*a*.) Francs payment;

(*b*.) No mention in treaty either of conditions of payment or of confirmation of Moharrem decree, &c.; and

(*c*.) Confirmation of Moharrem decree and old loan contracts, with reservation respecting settlement with bondholders, after peace, of conditions of payment.

Angora telegraphs 31st May preferring (*a*) and accepting (*b*), but instructing Ismet definitely to reject (*c*) on the ground that if franc payment is not admitted recognition of Moharrem decree would place most important part of State revenue under foreign control.

Ismet, in telegram dated 1st June, complains that this rejection is contrary to scope of his former instructions, on basis of which negotiations have been conducted, and states that delegation had already decided that alternative (*c*) would be preferable to (*b*).

Ismet declares that negotiations have reached final and critical stage, and that any change in their course is practically impossible. Non-confirmation of decree will be regarded as abolition of debt administration which was never contemplated. He describes situation of delegation as unbearable, and concludes by saying that he cannot carry on if Government persist in their new instructions against adoption of (*c*).

(Repeated to Lausanne, No. 143.)

No. 408.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 2).

(No. 218.)
(Telegraphic.) R. *Athens, June 2, 1923.*

YOUR telegram No. 98 and my telegram No. 211.

Naval attaché saw Naval Chief of General Staff this morning, and as opening occurred mentioned matter and received assurance that British attitude was perfectly understood; no action would be taken without previous reference to us.

He added that transports are now returning from Volo.

(Repeated to Lausanne and Constantinople.)

No. 409.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 2.)

(No. 333.)
(Telegraphic.) *Constantinople, June 2, 1923.*

(R.) GREEK patriarchate was yesterday invaded by armed crowd of about 150 Greek malcontents, who demanded instant resignation of patriarch. On the latter's refusal, his room was forced, and, though Turkish police were present, patriarch was apparently being dragged outside when Allied police arrived and restored order. Demonstrators on leaving gave patriarch three days' ultimatum in which to resign.

Patriarch, who intends to remain at his post, has to-day addressed to Allied High Commissioners a note requesting steps to be taken for his protection. I am concerting with Allied colleagues and generals in this sense. (End of R.)

It is not unlikely that Turkish authorities were cognisant of, if not responsible for, demonstration, which was carried out by worst Greek elements.

(Sent to Lausanne, No. 145.)

No. 410.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 109. Confidential.)
(Telegraphic.) *Foreign Office, June 2, 1923.*

YOUR telegram No. 216, Private and Secret, of 1st June.

You may authorise Mr. Atchley to speak privately to Chief of Revolution.

Do you consider latter will be able to impose his authority on Commander-in-chief and head of navy? If not, would presence of British man-of-war at Piræus have a salutary effect?

(Repeated to Lausanne, No. 54.)

No. 411.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 57.)
(Telegraphic.) *Foreign Office, June 2, 1923.*

YOUR telegram No. 133 of 30th May: Judicial declaration.

You will have seen from my telegram No. 44 that we do not consider question sufficiently important to break upon, and you are therefore authorised to accept the compromise draft. You may possibly find it useful to withhold notification of our assent until agreement is reached on debt and concessions.

[E 5439/6/44] No. 412.

The Marquess Curzon of Kedleston to Count de Saint-Aulaire.

Foreign Office, June 2, 1923.

Your Excellency,

I HAVE the honour to acknowledge the receipt of your note of the 26th ultimo relative to the attitude to be adopted by the Allied Governments in the event of the outbreak of hostilities between the Greek and Turkish Governments.

2. In reply, I have the honour to state that the matter is fortunately no longer of immediate actuality. In general, however, the view of His Majesty's Government is that, in the event of renewed hostilities between the Greeks and Turks, Allied policy would necessarily depend upon the circumstances attending their inception.

I have, &c.
CURZON OF KEDLESTON.

No. 413.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 3.)

(No. 220.)
(Telegraphic.) *Athens, June 2, 1923.*

YOUR telegram No. 48 to Lausanne.

I trust that state of affairs described in my telegrams Nos. 213 and 219 will be taken into consideration. It will every day become more and more difficult to hold rank and file of Greek army together. There are already signs of unrest both in the army and navy which may provoke leaders to reckless action. Rank and file find it hard to understand any delay in demobilisation, as was the case with our own men after the armistice. I can only urge that matters be speeded up as far as possible so as to bring about Turkish demobilisation before Greek army becomes a useless card in our hand.

(Repeated to Lausanne, No. 97; and Constantinople, No. 124.)

No. 414.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 3.)

(No. 222.)
(Telegraphic.) *Athens, June 2, 1923.*

CONSTANTINOPLE telegram No. 324.

Attention of Greek Government has already been called to formation of bands (see my despatch No. 352 and previous correspondence). I will again draw serious attention to these reports, but I have no knowledge of (1) whether incursions complained of took place after 26th May, and (2) if so, whether they can be substantiated by other than Turkish sources.

Meanwhile we should scarcely be justified in allowing Turkish vessels through the Dardanelles and denying passage to Greek vessels (see your telegram No. 92) when this might have enabled them to deal heavy blow at Turkey. Greeks have, besides, frequently complained of what is notorious, that Turks have constantly violated Mudania Agreement by sending troops from Asia Minor into Eastern Thrace. We could hardly on the top of all this grant to Turks a weapon which we have persistently denied to Greeks.

Another matter for serious consideration is that if Turkish coast defence vessels appear in the Ægean for patrolling purposes there is danger of incidents with Greek destroyers. If they fire on bands, Greek ships would probably sink them. Commander-in-chief and head of navy would welcome pretext thus offered, and the fat would be in the fire (see my telegram No. 213). To put such a card into the hands of hot-heads at a moment like the present would be most dangerous. Threat suggested by Mr. Henderson would, I fear, have just the opposite effect to what he anticipates.

(Repeated to Constantinople, No. 125.)

[E 5778/1/44] No. 415.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 321.)

My Lord, *Constantinople, May 29, 1923.*

I HAVE the honour to report that much interest has recently been aroused in Turkish circles by the publication in the British and French press, and more particularly in the "Daily Telegraph" and the "Temps," of a series of articles dealing with future British naval dispositions. The leading article in the "Temps" of the 20th May, in which it was suggested that these dispositions and the question of the evacuation of the Dardanelles were not unconnected, has now caused the subject to be taken up by the Turkish press, which, in spite of repeated public assurances regarding British intentions, has never completely lost its suspicions of British good-faith in this regard.

2. A typical example of the articles published by the Turkish press on this subject appeared in the "Aksham" of the 24th instant. The writer, after referring to the "Temps" article, remarked that the most important factor in the Near Eastern

settlement was the evacuation of the Straits—a question which had not even yet been discussed at Lausanne. The only Power, says the "Aksham," which is vitally interested in this question is Britain, who, however, does not wish the breakdown of the conference on a question which affects her alone. At the end of the first Conference of Lausanne, continues the "Aksham," when all Britain's demands had been accepted, your Lordship left Lausanne over such a minor question as that of the régime for foreigners. This time other means had to be found. Venizelos has proved a ready tool, and if a breakdown again resulted, it would be ascribed to the reparations issue, whereas the fundamental issue would remain unchanged, namely, the British desire to dominate the Dardanelles and so to become mistress of the Mediterranean, with any Russian or Turkish danger definitely eliminated.

3. The article is concluded in a more moderate strain, and the writer finds it difficult to believe that Britain would undertake a fresh war in order to remain at the Dardanelles. Even so, however, the end of the last anxious phase of the Lausanne Conference must be awaited before any definite opinion can be expressed.

4. It is significant that, on the morning of the 26th instant, when peace or war over the reparations issue seemed to hang in the balance, that issue was treated by the Turkish press as quite subsidiary to the question of evacuation, which was described as the key of the situation. As Adnan Bey called on me that afternoon, I took the occasion I refer to the uneasiness of the Turkish press in this connection, and enquired whether, in doing so, it was truly reflecting Turkish opinion. In reply he informed me that, though he himself had no suspicions regarding British intentions, there was a considerable body of public opinion whose views were being echoed in these press articles. These views, encouraged as they are by such articles as that in the "Temps," are probably not entirely confined to unofficial circles, and, though for the moment little can be done to combat them, they will doubtless receive an effective reply in the projected discussions on this question at Lausanne. They will, however, only be definitely silenced when the last British soldier has left Constantinople and the Dardanelles.

I have, &c.
NEVILE HENDERSON.
Acting High Commissioner.

[E 5779/5545/44] No. 416.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 323.)
My Lord, *Constantinople, May 28, 1923.*

I HAD the honour in my telegram No. 320 of to-day's date to inform your Lordship of the action taken by the municipal authorities of Constantinople in discontinuing the daily payment to the National Bank of Turkey of the toll receipts of the bridge across the Golden Horn.

2. As your Lordship is aware, these receipts were irrevocably and inalienably allocated for the service of the interest and amortisation of the 1909 Five per Cent. Municipal Loan. Throughout the war they were regularly paid into the National Bank, at that time under Turkish control. They have continued to be paid in daily until the 27th instant. That morning the four or five employees of the municipality arrived at the bank without their bags and removed the trays in which the receipts are counted as well as a weighing machine, the latter the property of the bank. Being a Sunday no one but very subordinate officials of the bank was present. In answer to their protests, the municipal employees, though they could produce no written authority, stated that they were acting in accordance with orders which they said had been notified to the directors of the bank by the prefecture. In point of fact, the letter from the prefecture only reached the directors on the following morning.

3. Mr. Dickson, the managing director, acquainted me that evening with what had taken place. I told him that I would see Adnan Bey on the following day and demand an explanation. Mr. Dickson asked me whether he should inform the British correspondents of this arbitrary and unjustifiable proceeding. I asked him not to do so for a few days at any rate. I preferred, in dealing with Adnan Bey, to treat the matter as a misunderstanding, which must be cleared up at once if the Turks wished to avoid the outcry which would be raised in London in consequence. It was clearly contrary to the interests of the Turks to indispose the London market against them at

this moment, and I hoped in this manner to exercise a pressure which might prove sufficient. Mr. Dickson concurred in this course.

4. In accordance with this arrangement, I called on Adnan Bey yesterday afternoon. I protested formally against the action of the prefecture in general and the manner in which it had been taken in particular. Adnan Bey, while disclaiming all responsibility for the action, admitted the impropriety of the form in which it had been carried out. As he professed to be ignorant of the circumstances connected with the loan, I gave him a summary of the facts and showed him a translation of the letter addressed to the bank by Ali Haidar, the Vali of Constantinople, acting in his capacity as prefect. I told him that I was taking steps to prevent for the moment the British correspondents from telegraphing to their newspapers in London, as I did not wish to make a serious incident out of a question which should be settled without difficulty. At the same time the action of the Turkish municipal authorities was entirely illegal and intolerable, and the *status quo ante* must be restored by the 2nd June if they wished to avert the consequences thereof.

5. Adnan Bey undertook to speak to the Vali at once on the subject and to see Mr. Dickson on the following day. He did not attempt to contest the illegality, but laid stress on the financial position of the municipality, which was desperate. He said that its employees had received no salaries for several months, and endeavoured to justify its action on the plea of the impossibility of its carrying on the necessary services without money. He asked anxiously whether it might not be possible to make some arrangement. I told him that nothing could justify the prefecture seizing what did not belong to it and advised him to put Mr. Dickson in touch with Ali Haidar Bey, since any arrangement, if feasible, could only be effected between the prefecture and the bank itself. It is probable that he will endeavour to arrange a meeting between them, and I have informed Mr. Dickson of the upshot of my conversation with Adnan Bey.

6. I am sure that Adnan's description of the condition of the municipal finances is correct. Ever since I have been in Constantinople the municipality has been on the verge of bankruptcy, and during the administration of this city by the Allied High Commissioners it has repeatedly been necessary to devise expedients for finding money to enable the indispensable services to be carried on. Lack of money is in fact the prevailing disease at the present time of every administration and department of the Turkish Government. It even led Adnan Bey to complain to me a few days ago of the excessive allowances paid to the Turkish delegation at Lausanne. He said that he had ascertained that the Allied delegations, and especially the British, were run on much more economical lines, and hinted that the money could much more profitably be used in paying, if not his own, the salaries of other Government officials which were in arrears. He mentioned that he had raised the point with Reouf Bey, a fact of which I was already aware from other sources.

7. It is interesting to note a reference in the last paragraph of Ali Haidar's letter, herein enclosed, to a payment in francs. This is an evident attempt, in respect of the Municipal Loan by securing a franc basis for the payment of its interest, to follow the example of the Turkish negotiators, who are endeavouring to arrange for the payment of the interest on the Public Debt in francs; whereas, however, as pointed out by Mr. Dickson, the contract notes of the Unified Debt refer specifically to payments in sterling, piastres, gold or francs, the obligations of the Municipal Loan only mention interest payable in Turkish pounds or sterling. The selection of francs in their place is therefore, as I pointed out to Adnan Bey, entirely capricious and arbitrary, and dollars or marks might just as well have been quoted.

I have, &c.
NEVILE HENDERSON.
Acting High Commissioner.

Enclosure in No. 416.

Ali Haidar to the National Bank of Turkey.

(Traduction.) *Constantinople, le 26 mai* 1339 (1923).

SUIVANT l'article 4 du Contrat de l'Emprunt municipal Cinq pour Cent 1909, la somme affectée pour l'amortissement et les intérêts de la commission revenant à votre banque et la différence de change non compris s'élève à £ T. 60,500 annuellement.

Comme la préfecture l'a notifié jusqu'ici à votre banque, le règlement des annuités avec la différence de change sur la livre sterling est impossible. D'ailleurs, les

augmentations des dernières années apportées sur la taxe du péage des ponts étaient destinées à assurer les dépenses des services municipaux.

Il n'y a donc plus lieu et possibilité de faire accumuler et conserver à votre banque, sans profit, les montants de ces augmentations, qui ne peuvent d'aucune façon être utilisés.

Par conséquent, en attendant d'arrêter et de régler sur base qui sera établie ultérieurement les sommes accumulées jusqu'ici à votre banque, je vous informe qu'il y a nécessité absolue, après remise à la banque pour l'année courante de la contrevaleur en francs de l'annuité susindiquée, de diriger sur la caisse de la préfecture tout excédent des revenus.

Je vous prie, &c.
Vali de Constantinople et Préfet par intérim,
ALI HAIDAR.

[E 5788/52/44] No. 417.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 4.

(No. 324.)
My Lord, *Constantinople, May 29, 1923.*

I HAVE the honour to report that at a religious congress held at the Œcumenical Patriarchate on the 23rd instant, at which six of the nine autocephalous orthodox churches are stated to have been represented, it was decided to approve the proposal to adopt the Gregorian calendar for ecclesiastical as well as for civil purposes.

2. The new arrangement will come into force as from the 1st–14th October next, and any religious feasts falling during the "lost" days will be celebrated after the 14th October. In the meantime the observatories at Athens, Belgrade, Bucharest and Petrograd have been requested to prepare a statement fixing the dates of Easter from 1924 till 2000 A.D.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

[E 5780/6/44] No. 418.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 325.)
My Lord, *Constantinople, May 29, 1923.*

THE danger of a renewal of hostilities as the result of a Greek advance across the Maritza, though definite information as to the reception by the Government of Angora of Ismet Pasha's concessions to M. Venizelos is still lacking, would seem to have been averted by the arrangement reached at Lausanne on the 26th instant.

2. So far as the situation in Constantinople during the past week is concerned, two points call for comment: the studious care, almost indifference and certainly not provocation, with which the Turkish press discussed the crisis and the lively apprehension shown by the French naval and military authorities. The latter were insistent on the necessity for the evacuation of Constantinople by the Allied forces in the event of Turco-Greek hostilities. I am not cognisant of the secret information which may be at the disposal of the French, but in any case General Charpy, who, so far as I am aware, had never raised the point before, declared from the very beginning of the crisis that it would be impossible for him with the troops under his command to hold the whole of the Stamboul area. As the crisis grew more acute, he managed to reduce the original indispensable period for the evacuation of the French troops from three weeks to ten days. Similarly a French battleship and some smaller war ships were sent to the Dardanelles to assist the British fleet in preventing the passage through the Straits of the Greek navy—a matter which had hitherto apparently caused no concern whatsoever to the French authorities.

3. As your Lordship is aware from my telegram No. 313, the French Government were in favour of the adoption of the Allied generals' recommendation for the immediate military evacuation of Constantinople in the event of a rupture between Turks and Greeks. Nevertheless, at a meeting of the Allied generals subsequent to the receipt of your telegram No. 36 to Lausanne, while holding the door open for

eventual evacuation, it was decided in principle to remain here as long as militarily feasible. If the Greeks had advanced, it was proposed to evacuate as many of the Allied nationals as possible, or who desired to leave, and to withdraw all the British troops from the Asiatic side of the Bosphorus. It would have been intimated to General Selaheddin Pasha, the Turkish military commander here, that the Allies definitely insisted on the recognition both by Turks and Greeks of a restricted neutral zone round Constantinople in which Allied control would be absolutely supreme. If the Turks had objected, coercive measures would have been applied. In return for this recognition on the part of the Turks, the Allied generals would have given an assurance that the passage of the Dardanelles would be denied to the Greek fleet, and that no interference would be placed in the way of the passage of Turkish troops from Anatolia to Eastern Thrace, provided certain regulations governing their passage were observed.

4. I am inclined to think that had hostilities broken out at the beginning of this week these measures would have served their main purpose, namely, the preservation of Allied neutrality and the protection of this city and its population. I can hardly believe that the Greeks, even if victorious, would have attempted forcibly to enter the neutral zone. I am under the impression that the Turks would have accepted our conditions for the sake of the advantages which they conferred, and would, in that event, rather than attempt with very doubtful chances of success to resist the Greeks in Eastern Thrace, have withdrawn as quickly as possible all their troops to the Asiatic side, and have invoked the Mudania Convention as imposing on the Allies the obligation for the defence of European Turkey and Constantinople.

5. This was certainly the impression which I derived from a conversation which I had with Adnan Bey on the subject. He showed considerable anxiety as to Allied intentions in the case of a Greek advance, and endeavoured to prove that by the Mudania Convention the Allies were bound to prevent any breach of it. I told him quite clearly that, whatever might be the theoretical responsibility of the Allies, the Turks had hopelessly prejudiced their case in this respect by their constant insistence since November last on the standpoint that the Allied forces here were not in occupation of, but merely present in, Constantinople, and by the military organisations which had been built up in the city itself and in Eastern Thrace since that date, and in flagrant contravention of the agreement signed at Mudania. I have rarely seen Adnan Bey so perturbed by any statement. He denied with many protestations and on his personal word of honour that any such organisations had been created, and declared that the event would prove the truth of his assertions. Such denial, however untruthful, at least showed that he himself did not contemplate any Turkish resistance in Eastern Thrace. Moreover, the information contained in my telegram No. 309 indicated that Refet Pasha was equally disinclined to face such a contingency.

6. The Serbian Minister, whom I saw on the 26th instant, told me that he estimated the strength of Refet Pasha's forces in Eastern Thrace, inclusive of gendarmerie, at a little over 30,000 men with 100 field guns. He also expressed the conviction that they would be unable to put up any serious resistance to the Greeks. M. Gifkovitch incidentally mentioned that he had reason to believe that there was a good deal of Turco-Bulgarian intrigue going on at Constantinople at the moment, and that Refet Pasha had had a long conversation with General Markoff on the subject of Bulgarian assistance, probably by means of irregular bands. He added that his Government was firmly determined to prevent any disturbance of the *status quo* in Western Thrace, which was one of the basic principles of Serbia's scheme of policy in the Balkans.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

[E 5781/199/44] No. 419.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 326.)
My Lord, *Constantinople, May 28, 1923.*

THE unpopularity of the Kemalist régime in Constantinople, to which I had the honour to refer in my telegram No. 273 of the 6th instant, has during the past week received expression in the Turkish press in the form of an almost general attack on the administrative services of this city.

2. It seems probable that this attack is stimulated by resentment at the attempt of the Angora Government to relegate Constantinople to a position of secondary importance in Turkey and at seeing a large part of the revenues of the city transferred to Anatolia to be expended. This procedure constitutes such a reversal from the previous state of affairs, when the capital was the magnet which attracted the wealth of the whole Ottoman Empire, that there can be little cause for suprise if a return to the old order is desired.

3. The immediate cause of the attack, however, has been the abuses committed during the last few months more particularly by the prefecture and the police, and it is on these two departments that the attack has been concentrated. That all was not well was shown some time ago when, as reported in my telegram under reference, the prefect and the chief of police were both dismissed, though the latter was subsequently reinstated. A few days later, however, he was again dismissed and it was announced that an enquiry was being conducted into certain irregularities which were believed to have taken place. Neither a new director of police nor a new prefect has yet been appointed, the duties of the latter having for the last few weeks been discharged by the Vali, Ali Haidar Bey.

4. The officials of the prefecture as well as the police are now universally accused of bribery and corruption on a large scale. It is difficult to believe that the charge is not well founded since opportunities have certainly not been lacking. While there is little doubt that the system of bribery is now once more almost general, it is alleged that those who have benefited most from this illicit source of private revenue have been the officials charged with the registration and disposal of abandoned property, with the control of the supply and price of bread and with the control of immigration into Constantinople. The entry into Constantinople of Greek refugees from Anatolia is officially forbidden, but, according to the press, considerable numbers have been allowed to enter on payment of twenty-five Turkish liras per head. The immediate result of the press campaign has been the dismissal two days ago of the Inspector-General of the Prefecture and of the Director-General of Sanitary Services, while one Turkish paper reported on the 26th instant that on the previous day fifty-two policemen had been tried in the Turkish courts for abuses. Other dismissals are stated to be in prospect.

5. There are indications, however, that the authorities are finding the police a somewhat refractory instrument; so much so, that the Acting Director-General has found it necessary to issue a circular reminding them that they are the servants of a popular Government and that, as such, they must treat the public with consideration otherwise they will be severely dealt with. While this warning may in part be prompted by the arrogant behaviour of police agents, I am inclined to think that it has been rendered necessary by a scheme which the embryo Labour Union of Constantinople are said to be contemplating for the collaboration of the police in furthering the control of the union over the labour elements of the city. This scheme, of which the chief promoter seems to be a certain Jambaz Mohamed, has now received a certain publicity in one newspaper which has since been suppressed, while the remainder of the press has demanded that the police shall not become the tool of the union.

6. In face of these local dissensions, it is not surprising that the preparations for the elections make little progress. Indeed, the desire of the authorities seems to be to delay them as much as possible. Probably with this end in view it has now been decided that the number of "second" electors, by every 100 of whom one Deputy is in turn elected, shall be based on the total male population and not on those over 18 years of age only. For this and other reasons, the electoral lists are not yet complete and, as these have to be posted for a period of not less than three weeks before the "second" elections take place, it is conceivable that the elections will not be finally concluded before the latter part of July, with the probable meeting of the new Assembly some time in August.

7. In the meantime it is stated that the Greek elders of Pera have decided to participate in the elections and have invited the other Ottoman Greeks of the city to vote for the Kemalist nominees. It is unlikely, however, that much advantage will be taken of this invitation.

8. Another interesting electoral feature of the last week has been the announcement that the Opposition has subscribed to the nine points enunciated by the Defence of Rights Organisation, and that its members have applied to Mustafa Kemal for nomination as candidates. In this connection, it is significant that some days previously the "Ileri" published an article stating that the Defence of Rights party

was merely the Committee of Union and Progress in a highly developed form and that there was no essential difference between the two parties. It remains to be seen whether the endeavour of the Opposition to enter the new Assembly under the Kemalist ticket will have any considerable measure of success. That efforts in this direction are being made is undoubted. The Serbian Minister two days ago expressed his opinion that two-thirds of the total candidates applying for election, some 6,000 according to his estimate, were in reality adherents of the committee. While I consider this estimate to be extremely exaggerated, I cannot but think that the danger is fully realised by Mustafa Kemal Pasha and his associates, whose object is to secure the election of an Assembly more amenable to their control than that which it will replace.

I have, &c.

NEVILE HENDERSON,
Acting High Commissioner.

[E 5783/6/44 No. 420.

Sir A. Young to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 208.)

My Lord, *Belgrade, May 31, 1923.*

THE newspapers yesterday published a telegram which M. Nincic received from M. Alexandris at Lausanne in the following terms:

> "On the occasion of the agreement which has been arrived at to-day in the question of war indemnity, in the name of the Greek Government I heartily thank you and the Serb-Croat-Slovene Government and M. Jovanovic for the warm and efficacious assistance rendered to our delegation in the question of vital interest for Greece."

Subsequently to the receipt of Lausanne telegram No. 91 of the 22nd May and following telegrams, I enquired from time to time of M. Nincic what action he was taking, in view of the questions put to him by either party in the Graeco-Turkish reparations crisis. M. Nincic said he had given instructions to M. Jovanovic to reply to the Turks that the Serb-Croat-Slovene Government could make no engagement, but desired to keep their hands free to take whatever action they might think suitable to their own interests. To the Greeks M. Nincic gave assurances of the benevolent neutrality of this country, though he was not ready to make any intimation to Bulgaria of a menacing nature. These assurances were to be kept secret, so as not to encourage the Greeks to be defiant in their attitude. This statement is rather confusing, but I presume he meant that the Greek army were not to know of these assurances. Later on, as your Lordship is aware, M. Nincic instructed the Serb-Croat-Slovene delegate to protest against the cession of Karagatch to the Turks, but not to push his protest to the extent of hindering an agreement on that basis. Whether he protested out of hostility to the Turks or out of consideration for the Bulgarians is not yet apparent, but according to the telegrams from Sofia, Bulgaria is scarcely less grateful to the Serbs than is Greece.

Your Lordship will no doubt have observed that, in the speeches exchanged on the occasion of the presentation of the letters accrediting M. Balugdzic as Serb-Croat-Slovene Minister to King George, each party alluded to the other as friend and ally.

I think that events have proved that M. Nincic's attitude towards Turkey, Bulgaria and Greece has been consistent and prudent and his explanations straightforward, in face of the mystifications originating from Constantinople, Sofia and Athens. He frankly avowed that he could not have obtained as good a bargain at Salonica as he did if peace had been assured between Greece and Turkey, nor had he really driven a hard bargain, as the conditions eventually obtained were only fairly satisfactory.

The newspapers announce that M. Nincic is about to make a declaration on foreign politics to the new Chamber, which has only now been constituted.

It is stated this morning that the Turkish representative referred to in my despatch No. 172 of the 10th May has arrived at Belgrade from Bucharest

I have, &c.

ALBAN YOUNG

[E 5741/4/44] No. 421.

Allied Delegates, Lausanne, to the President, International Red Cross Committee.—(Communicated by British Delegation (No. 124; Received at Foreign Office, June 1.)

LES soussignés, délégues de France, de Grande-Bretagne et d'Italie à la Conférence de Lausanne, ont l'honneur de transmettre à M. le Président du Comité international de la Croix-Rouge copie d'une lettre qui leur a été adressée par son Excellence le Général Ismet Pacha pour répondre à leurs représentations en faveur des prisonniers de guerre helléniques restant encore en Asie Mineure.

Par leur lettre en date du 10 mai, les soussignés avaient fait part à Ismet Pacha de leur inquiétude quant à l'état des prisonniers de guerre en question. Ils l'avaient prié de prendre en considération deux moyens alternatifs d'alléger leur sort: ou d'accepter l'application à leur égard des dispositions du troisième alinéa de l'article 4 de l'accord sur l'échange, sans plus attendre la signature du Traité de Paix; ou bien de concentrer les prisonniers dans un nombre restreint d'endroits sur le littoral sud de l'Anatolie où ils pourraient être nourris et soignés avec le concours du Comité international de la Croix-Rouge.

N'ayant pas reçu jusqu'au 29 mai une réponse à cette lettre, et ayant dans l'intervalle reçu copie de la lettre adressée, le 21 mai, par M. Ador au secrétaire général de la conférence, les délégués soussignés ont, à la date précitée, c'est-à-dire le 29 mai, envoyé une nouvelle lettre à Ismet Pacha pour lui dire que le rapport d'ensemble communiqué par M. Ador ne faisait qu'augmenter leur inquiétude, et pour le prier de leur faire savoir les vues du Gouvernement turc sur les suggestions émises dans leur lettre précédente du 10 mai.

C'est dans ces circonstances qu'Ismet Pacha vient d'adresser aux soussignés la lettre dont copie se trouve ci-jointe. Sans faire allusion à la suggestion visant l'application anticipée du troisième alinéa de l'article 4 de l'accord, Ismet Pacha relève l'impossibilité qu'il y aurait pour le Gouvernement turc à concentrer les prisonniers sur le littoral sud de l'Anatolie; par contre, il déclare que ce Gouvernement accepte de faire visiter les camps où se trouvent actuellement les prisonniers par les délégués du Comité international de la Croix-Rouge. Cette dernière proposition paraissant répondre, au moins dans une certaine mesure, à la demande de la Croix-Rouge hellénique reproduite dans la lettre de M. Ador du 27 avril, les soussignés estiment que le meilleur moyen de venir en aide aux prisonniers serait que le Comité international se mît en contact direct avec les autorités turques ou à Lausanne ou à Constantinople pour arrêter les conditions dans lesquelles ses délegués visiteraient les camps en Anatolie.

PELLE.
HORACE RUMBOLD
G. C. MONTAGNA.

Lausanne, le 2 juin 1923.

Enclosure in No. 421.

Ismet Pasha to the Allied Delegates.

EN réponse à leur lettre collective du 10 courant, le délégué soussigné du Gouvernement de la grande Assemblée nationale de Turquie a l'honneur d'informer son Excellence Sir Horace Rumbold, ainsi que leurs Excellences M. le Général Pellé et M. Montagna, que son Gouvernement accepte de faire visiter les camps de prisonniers de guerre grecs par les délégués du Comité international de la Croix-Rouge, qui pourront constater par eux-mêmes que les prisonniers en question sont bien nourris et bien soignés. Vu les circonstances actuelles, le transfert et la concentration des prisonniers grecs dans un port de l'Anatolie méridionale, comme cela était proposée dans la lettre susmentionnée du 10 courant, n'étant malheureusement pas possible, le Gouvernement turc estime que l'inspection par les délégués de la Croix-Rouge internationale est suffisante.

M. ISMET.

Lausanne, le 30 mai 1923.

No. 422.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 146.) [By Bag.]
(Telegraphic.) *Lausanne, June 2, 1923.*

THE question of the exchange options possessed by holders of pre-war Turkish loans has been fully discussed during the last two days and a deadlock has now been reached. The Turkish Government evidently intends to refuse to pay the coupons in sterling, and at the same time wishes to avoid the loss of credit which a simple repudiation of existing liabilities would involve.

They therefore decline to agree to any confirmation of pre-war loan contracts unless an explicit reserve is made as regards the exchange options. Ismet Pasha would be willing either (1) to give the proposed declaration (confirming the Decree of Mouharrem and Loan Contracts), with an explicit reserve as regards the exchange options; (2) to give no declaration at all; (3) to obtain the consent of the bondholders to payment in francs before the treaty is signed.

We have replied that the third alternative is obviously impracticable, and, as regards the other two, we cannot possibly agree to vary the loan contracts to the detriment of the bondholders, even if we had the legal power to do so, which we clearly have not in the case of neutral bondholders. We have proposed that the declaration to the Council of the Debt should be given as drafted in February, and that the proposed reserve should take the form of a separate communication to the syndicates, taking note of their declaration of 23rd May, expressing the intention of Turkey to negotiate immediately after peace and reaffirming her inability to pay in full without some facilities. Ismet Pasha insisted that the "reserve" should be inserted in the declaration to the Council of the Debt, and not in a separate communication to the Syndicate of Bondholders.

We consider that, as a final concession, the proposed communication to the bondholders might be replaced by a covering letter to the Debt Council in the same terms, which would more nearly approach to Ismet's desire to introduce a reserve into the declaration.

Ismet Pasha was this morning more outspoken than on previous occasions as to the determination of the Turkish Government not under any circumstances to pay in sterling at present, and the impression of myself and my colleagues was that he might carry the matter to the point of a rupture of negotiations.

At the end of our discussion we told Ismet that we could only refer the question to our Governments. Put shortly, our position is (*a*) that we cannot vary the contracts (either expressly or by implication) to the detriment of the bondholders by making the annuities payable in francs; (*b*) that we wish to place no obstacle in the way of negotiations between the Turks and the bondholders, and would agree to make this clear by the compromise suggested above or some similar arrangement.

I should be glad to receive your Lordship's instructions on this point as soon as possible. My colleagues are telegraphing to their Governments in a similar sense.

No. 423.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 147.) [By Bag.]
(Telegraphic.) *Lausanne, June 2, 1923.*

YOUR telegram No. 45 of 30th May: General situation.

Progress which I hoped might follow settlement of Græco-Turk reparation dispute has on the whole been achieved.

Of the four outstanding questions or group of questions to which I drew attention in my telegram No: 118 of 26th May, judicial declaration has been provisionally settled here, and my Allied colleagues and I await the instructions of our Governments. I presume that I should not regard your telegram No. 44 (of 30th May) as covering His Majesty's Government's approval of the formula subsequently adopted here, and I shall be grateful for His Majesty's Government's early decision, as Turks are inclined to be suspicious, however unjustifiably, that Allied Governments are purposely delaying their replies. Italian Government have already informed M. Montagna that they agree to the formula.

Group of territorial questions has been settled on lines given in my telegram

No. 129 of 28th May, and settlement will be formally recorded at next meeting of my committee, probably on 4th June.

Question of debt coupons is proving greater obstacle than I had anticipated. I am explaining present situation in a separate telegram, on the reply to which further course of negotiation here on the subject will depend.

I am also telegraphing separately on the procedure which my Allied colleagues and I intend to adopt on 4th June in opening discussion with Ismet Pasha on the question of concessions. My latest information from Mr. Henderson is that contained in his telegram No. 322 to the Foreign Office. It seems unlikely, however, from that telegram that progress in the negotiations at Angora will be so rapid as to enable Allied delegates here, when treaty is ready for signature, merely to take note in some form or other of results already then achieved at Angora. Discussions with Ismet Pasha will therefore be directed towards agreeing upon articles or a declaration which will bind Turkey to give satisfaction in those negotiations with concessionary companies which will have to be completed after signature of the treaty. Precise form of declaration or articles will have to be settled here in the light of the latest information received from Mr. Henderson before treaty is prepared for signature.

On the balance side of progress made this week I may also mention that Drafting Committee have agreed upon a text of articles 152 and 153 providing for Bill of Indemnity for Allied acts, &c., during occupation. This is very satisfactory in view of the disparity on this point between Allied draft of 31st January and Turkish counter-proposals of 8th March. The experts have also agreed upon an amnesty declaration. Their report contained a Greek and a Turkish reserve, but from private discussions which have since taken place I hope that both reserves will be withdrawn when the report comes before my committee. It is particularly important to obtain withdrawal of the Greek reserve, as it involves the question of the Greek right to except certain military offenders from the amnesty. On this point M. Veniselos feels so strongly that he may refuse personally to sign treaty or declaration unless difficulty is overcome.

On the debit side I should mention that unfortunately two details of the Græco-Turkish reparation settlement are still outstanding. Turkish experts are still holding out for an interpretation of the new draft of article 58, involving the admission of Greek liability to pay requisition notes issued by the Greek authorities in Asia Minor (see third paragraph of my telegram No. 128). M. Veniselos accepts Greek liability for formal contracts entered into by Greek Administration, but he rightly claims that complete waiver of Turkish reparation claims against Greece covers requisitions, as is admitted by Turks in similar Allied waiver of reparation claims against Turkey in article 57. Allies will, of course, strongly support Greek delegation. Other point is treatment of population of ceded area round Kara-Agatch (see last paragraph of my telegram No. 135). M. Veniselos is not, in my view, on strong ground here, particularly as he raised question in Sub-Committee of Experts, after main lines of settlement had been reached last Saturday and recorded in meeting of Main Committee last Monday. I doubt, therefore, whether we can obtain any satisfaction from Turks, who have so far refused it in private discussions between experts.

In addition to the big outstanding questions of debt coupons and concessions, there remains question of evacuation, on which I am awaiting your Lordship's instructions in reply to my telegrams Nos. 121, 122 of 27th May, and 142 of 1st June. Mr. Henderson's recent telegrams bearing on situation of Ismet *vis-à-vis* of Angora confirm me in the opinion, which I have already expressed to your Lordship, that if I can only be authorised to inform Ismet at an early date that we will, in principle, meet him on this question, his hand will be strengthened and Allied task in reaching settlement on other outstanding questions, particularly debt coupons, may be correspondingly facilitated.

To sum up, while my fears that Angora's attitude might retard conclusion of peace are being to some extent confirmed, *e.g.*, in the matter of the debt coupons, I till trust that there is no insoluble problem before us, nor do I think that any consultation between the three Governments should prove necessary, except upon question of evacuation and possibly on question of debt coupons, in the event of the three Governments sanctioning solution proposed in my separate telegram of to-day and that solution being definitely turned down by Ismet here. It is also possible that events of next week may eventually render necessary some consultation between Governments on the question of concessions.

No. 424.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 148.) [By Bag.]
(Telegraphic.) *Lausanne, June 2, 1923.*

MY Allied colleagues and I discussed to-day privately the procedure which we should adopt in opening discussion with Ismet Pasha on Monday on the question of concessions. My delegation had prepared a statement of principles to be covered by any articles for insertion in the treaty, or any declaration by Turkey to be attached to the treaty, upon which we may agree with Ismet Pasha next week. This statement was based on the redraft of articles 94, 94 *bis* and 94 *ter*, prepared by M. Fromageot during the inter-Allied meeting in London.

My immediately following telegram contains the text of the statement in question. The statement will not be handed to Ismet Pasha as it stands, but will form the basis upon which the Allied delegates will conduct the discussion.

I intend, if possible, to confine the articles to be inserted in the treaty or the declaration to the treatment of concessions in Turkey within her new frontiers, but it is possible that, as in the first phase of the conference, Ismet Pasha may demand reciprocal treatment of Turkish concessions in detached territories on ground of prestige rather than for material reasons, since there is, of course, no Turkish capital in such concessions. Such a development may entail the drafting of a text which will indirectly raise the question of the Turkish Petroleum Company's concession and treatment of French inchoate 1914 agreement, so far as it relates to Palestine, and I have, therefore, telegraphed separately to-day asking that a Colonial Office expert may be sent out as soon as possible.

Statement of principles, which conforms generally to original Allied draft of articles 80 and 94 in the draft treaty of 31st January, requires no comment, except that my Allied colleagues and I have realised that we shall probably not be able long to maintain paragraph 4, which raises the question of direct cash compensation to the concessionary companies.

No. 425.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 149.) [By Bag.]
(Telegraphic.) *Lausanne, June 2, 1923.*

MY immediately preceding telegram.

1. Les concessions accordées avant le 29 octobre 1914 dont des ressortissants alliés ou des entreprises fonctionnant à l'aide de capitaux appartenant à des ressortissants alliés sont bénéficiaires seront confirmées. Seront également confirmées les concessions pour la régularisation desquelles certaines formalités n'auraient pas été remplies avant la guerre, mais qui ont reçu un commencement d'exécution ou ont formé le sujet d'un accord entre le Gouvernement turc et un Gouvernement allié.

2. Les accords intervenus avec le Gouvernement ottoman depuis le 30 octobre 1918 relatifs aux concessions visées à l'alinéa 1 demeureront en vigueur, sous réserve de leur soumission à la demande du Gouvernement turc, à l'examen des experts dans le délai de trois mois à compter de la mise en vigueur du traité. Dans ce cas, l'accord sera confirmé ou modifié selon les recommandations des experts.

3. Les provisions des contrats de concession seront :

(*a.*) Mises en conformité des conditions économiques actuelles;

(*b.*) Revisées comme réparation des préjudices subis par suite de la guerre. La revision à titre de réparation pourra comprendre l'augmentation des prix exigibles aux termes de la concession, la modification des droits payables au Gouvernement turc conformément aux dispositions de la concession et la prolongation de la durée de la concession.

4. Au cas où cette revision ne suffirait pas à assurer la réparation des préjudices subis, les concessionnaires auront droit à un versement en espèces en ce qui concerne toute somme qui ne serait pas couverte par la revision.

5. Faute d'entente entre le Gouvernement turc et un concessionnaire en ce qui concerne les questions visées ci-haut, le différend sera réglé par deux experts, dont chaque partie nommera un, ou, si les experts n'arrivent pas à un accord, par un tiers expert qu'ils désigneront.

No. 426.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 150.) [By Bag.]
(Telegraphic.) *Lausanne, June 2, 1923.*

MY telegram No. 138 of 21st May: Signature of Straits Convention by Russian Soviet Government.

My French colleague informs me that he has received a telegram from M. Poincaré, in which the latter expresses the opinion that, as the Russian representatives explicitly stated at the last phase of the Lausanne Conference that they would *not* sign the Straits Convention submitted to them, there is no need for a further enquiry to be addressed to them on this subject. M. Poincaré has, however, no objection to the Secretariat-General of the Conference informing the Russian Soviet Government, on the eve of the signature of the treaty, that there is a clause in the Straits Convention enabling Russia to adhere thereto, if and when she desires to do so.

General Pellé is instructed to act in concert with the Italian delegate and myself in this matter

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No. 427.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 151.) [By Bag.]
(Telegraphic.) *Lausanne, June 2, 1923.*

MY telegram No. 147, second paragraph, of 2nd June: Judicial declaration.

My French colleague has since informed me that he has received a telegram from M. Poincaré in which the latter states that although the judicial declaration contained in my telegram No. 134 is unsatisfactory, yet if the acceptance thereof is necessary to secure the signature of peace, and provided that the British and Italian Governments agree, he will consent thereto

General Pellé considers that it is better policy to strengthen Ismet Pasha's position with his own Government by informing him of the acceptance of the judicial declaration in question, if His Majesty's Government and the Italian Government agree thereto, than to defer the acceptance thereof for bargaining purposes in connection with the question of exchange options possessed by holders of pre-war Turkish loans. I agree with this view.

No. 428.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 152.)
(Telegraphic.) *Lausanne, June 3, 1923.*

YOUR telegram No. 55.

I have spoken to M. Venizelos.

Although he states he is not in very close touch with what is going on in Greece he does not consider Commander-in-chief and head of navy can bring off a *coup.*

He says he knows eleven divisional commanders, and that their past records satisfy him that only two out of the eleven might lend themselves to a policy of adventure. He admitted that his influence was no longer as strong as formerly, but said that Greek Government still listens to him. He pointed out apparent uncertainty of situation in Greece, and reinforced his argument that it would be impossible for him to propose sacrifices to his Government by agreeing to pay for requisitions.

I asked M. Venizelos to speak to Ismet both with regard to Turkish claim to reimbursement for requisitions, irrespective of their waiver of reparations from Greece, and also with regard to right of inhabitants of Greek race to stay at Karagatch if they wish (see my telegram No. 135). He promised to see Ismet to-morrow, and I told him that he could certainly count on my support with regard to requisitions question.

I took the opportunity to give him message contained in your telegram No. 45, and he asked me to express his gratitude to you.

(Repeated to Athens.)

No. 429.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 4.)

(No. 334. Secret.)
(Telegraphic.) *Constantinople, June 4, 1923.*

ISMET has been informed by Mustafa Kemal that Government will under no circumstances pay interest on debt in gold, and that if franc payment cannot be obtained, declaration confirmed by Muharrem decree cannot be agreed to. He is requested to insist upon solution whereby interest is paid in francs, though any intention of abolishing public debt is denied. Mustafa Kemal points out that if Muharrem decrees are administered as before, foreigners would possess source of income which would nearly cover payment of debt interest in gold, but which would ease future finances and economic liberty of Turkey.

Angora is anxious lest if Muharrem decree, which they regard as contrary to national sovereignty, is confirmed all prospect of amending it hereafter would be lost. I gather, though sense of telegrams which have been telegraphed to War Office *in extenso* is not very clear, that if Allies refuse various proposals made and if matter is obstacle to peace, Angora insists on clause being inserted in treaty whereby question of currency for debt interest, and of such clauses in decree as are contrary to national sovereignty, shall be decided between Turkish Government and bondholders direct

From subsequent telegram from Ismet, dated 2nd June, it would appear that latter has already proposed third solution mentioned in my telegram No. 331, namely, confirmation of Muharrem decree, with reservation to Allied delegates who have referred it to Governments. He adds, apparently in explaining himself, that he has made it clear that reservation is intended to eliminate idea of payment in gold, and that if Allies accept it an "unimaginable success" will have been secured. He says that he thinks that Allies will make new proposals giving facilities for payment of interest. His view is that payments will not be made in gold, and that "we will gradually understand whether reservation will be temporary or permanent." He considers that in practice there is no divergence of views between himself and Angora.

(Repeated to Lausanne, No. 147.)

No. 430.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 5.)

(No. 155.)
(Telegraphic.) *Lausanne, June 4, 1923.*

FRENCH delegate has read to Italian delegate and myself a telegram which he has just received from his Government with regard to evacuation of Constantinople and other occupied territory in Turkey. The telegram begins by

stating that it would be unsafe to count on French Parliament ratifying treaty during its present session. The French Government therefore suggest that evacuation of occupied territories should begin immediately after ratification of treaty by Grand National Assembly, and that it should end after treaty has come into force owing to its ratification by Great Britain, Italy and Japan, and demobilisation of Turkish army to proceed *pari passu* with evacuation. Telegram adds that French Government believes Italian Government shares above views.

My Allied colleagues and I are agreed in considering that suggestion as to spinning out evacuation until three Powers other than Turkey have ratified treaty is both dangerous and unpractical. The Turks would certainly reject any such proposal, and apart from this Allies might find themselves at a given moment with greatly reduced effectives and liable to pressure to which their weakness would expose them. The suggestion as to demobilisation of Turkish army simultaneously with evacuation is quite new and would be equally rejected by Turks. Commissions of control would presumably be necessary to superintend such demobilisation. The whole proposal, if insisted upon, might even wreck conference, and we hope it will be dropped.

(Repeated to Constantinople.)

No. 431.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 5.)

(No. 156.)
(Telegraphic.) R. *Lausanne, June 5, 1923.*

MY despatch No. 20.

Turks have now asked us to make provisions of articles 72 and 73 *bis* applicable to Egypt. This is probably not possible for reason which led to drafting of article 18, but we should like if possible to add a provision to these articles whereby we would undertake to desequestrate any Turkish property in Egypt sequestrated by us as occupying Power, and where liquidation has taken place, to hand back to Turks proceeds of liquidation. Are we still in a position to do this or do you see any objection? We are under the impression here that all such property has already been released.

Please telegraph reply as soon as possible.

No. 432.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 5.)

(No. 335. Secret.)
(Telegraphic.) *Constantinople, June 5, 1923.*

MY telegram No. 334.

Angora insists that declaration confirming maintenance of Public Debt Administration [? and] Muharrem decree can only be made if Allies agree to payment of interest on franc basis, and that it is insufficient for Allies to grant temporary facilities for payment of interest if period is limited to five years "as in the case of Bulgaria."

There are indications that Angora does not intend to settle concessionary company's question until after settlement of public debt question in Turkey's favour.

(Sent to Lausanne, No. 150.)

No. 433.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 5.)

(No. 336.)
(Telegraphic.) R. *Constantinople, June 5, 1923.*

MY telegram No. 323.

Bridge tolls for 4th June were paid into National Bank as usual this morning, and assurance given that they would continue so to be paid in future. In return for this surrender, bank on behalf of bondholders have consented to make small advance to municipality for its urgent needs.

(Sent to Lausanne, No. 151.)

No. 434.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 64.)
(Telegraphic.) *Foreign Office, June 5, 1923.*

YOUR telegram No. 143 of 1st June: Turkish accession to Arms Traffic Convention.

You are authorised, if you find it necessary, to drop article 156, but before deciding to do so you should make a further attempt to obtain Turkish accession to the existing provisional arrangement by pointing out to Ismet that, when Turkey applies for membership of the League, latter will undoubtedly insist on her acceptance of the Arms Traffic Convention as a condition of entry; she might just as well, therefore, swallow the pill at once.

No. 435.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 6.)

(No. 337.)
(Telegraphic.) R. *Constantinople, June 6, 1923.*

MY despatch No. 268.

Much propaganda has been made in Turkish press during last few days with reports of continuous persecution of Moslems in Western Thrace, and press now calls for reprisals on local Greek population.

Adnan Bey has to-day brought to notice of Allied High Commissioners report that Greeks are removing everything of value from Karagatch area. Greek action, if confirmed, will stimulate Turkish measures against Greek property here.

(Repeated to Lausanne, No. 153, and Athens, No. 66.)

No. 436.

The Marquess Curzon of Kedleston to Mr. Bentinck (Athens).

(No. 103. Confidential.)
(Telegraphic.) *Foreign Office, June 6, 1923.*

YOUR telegram No. 220 of 2nd June: Greek army.

We are considering possibility of arranging for evacuation of Constantinople and the Straits immediately on ratification of the treaty by Angora and on signature of a protocol providing for immediate peace between Greece and Turkey on ratification by their two Governments, as well as for immediate entry into force of certain portions of the treaty without awaiting ratification by Allied Governments and consequent entry into force of entire treaty.

(Repeated to Lausanne, No. 67, and Constantinople, No. 184.)

No. 437.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 68.)
(Telegraphic.) *Foreign Office, June 6, 1923.*

YOUR telegram No. 155 of 4th June.

I agree that proposal in question is dangerous and impracticable. If policy of evacuation on ratification of treaty by Angora is to be adopted, it should preferably be in accordance with plan referred to in my telegram No. 62 of 5th June.

No. 438.

The Marquess Curzon of Kedleston to Field-Marshal Viscount Allenby (Cairo).

(No. 124.)
(Telegraphic.) R. *Foreign Office, June 6, 1923.*

LAUSANNE telegram No. 156 of 5th June: Turkish property in Egypt.

Please telegraph your observations to Lausanne, repeating your telegram to Foreign Office.

We are consulting Board of Trade.

(Addressed to Cairo, No. 124; repeated to Lausanne, No. 69.)

[E 5894/1/44] No. 439.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 7.)

(No. 128.)
My Lord, *Lausanne, June 4, 1923.*

WITH reference to my telegram No. 113 and my despatch No. 95 of the 26th May, relative to the convention concerning the régime for foreigners, I have the honour to transmit to your Lordship herewith a translation of this convention, which has now been accepted by the Allied and Turkish delegates.

2. I venture to suggest that copies of the enclosed translation should be forwarded to the Secretaries of State for India and for the Colonies with a view to its being communicated at once to the Governments of India and the self-governing dominions. This course would give the Governments concerned more time in which to consider whether they desire to be excluded from the convention under the provisions of article 19, and should diminish the possibility of ratification of the various instruments signed at Lausanne being delayed because the replies of the Governments concerned on this point had not been received.

I have, &c.
HORACE RUMBOLD.

P.S.—While the text of the convention has now been definitely accepted by the conference the question of adding an article giving non-signatory Powers the right to accede is still reserved. This point, however, does not directly affect the interests of the self-governing dominions, and I do not think it is necessary to delay the communication of the text to them on that account.

H. R.

Enclosure in No. 439.

Convention respecting Conditions of Residence and Business and Jurisdiction.

(Translation.)

THE British Empire, France, Italy, Japan, Greece, Roumania and the Serb-Croat-Slovene State, of the one part,

And Turkey of the other part,

Being desirous of prescribing, in accordance with modern international law, the conditions under which nationals of the other contracting Powers may settle in Turkey

and Turkish nationals may settle in the territory of those Powers, as well as certain questions relating to jurisdiction,

Have decided to conclude a convention to this effect, and have appointed as their plenipotentiaries:

Who, having produced their full powers, found in good and due form, have agreed as follows:—

CHAPTER I.—*Conditions of Residence and Business.*

ARTICLE 1.

The application in Turkey of each of the provisions of this chapter to nationals and corporations of the other contracting Powers is expressly subject to complete reciprocity being accorded to Turkish nationals and corporations in the territories of the said Powers.

Should one of these Powers refuse, in consequence of a provision in its law or for another reason, to accord reciprocity in respect of any such provision, its nationals and corporations will not be entitled to benefit by such provision in Turkey.

For the purposes of this article each of the dominions, colonies and countries under the protection or authority of the contracting Powers will be considered as a separate contracting country.

Section 1.—*Entry and Residence.*

ARTICLE 2.

In Turkey the nationals of the other contracting Powers will be received and treated, both as regards their persons and property, in accordance with ordinary international law. They will enjoy in Turkey the complete and constant protection of the local law and authorities for their persons, their property, rights and interests. Without prejudice to the provisions respecting immigration, they will have complete freedom to enter and establish themselves in Turkey, and may accordingly come, go and reside there, subject to compliance with the laws and regulations in force.

ARTICLE 3.

In Turkey the nationals of the other contracting Powers will have the right to acquire, to possess and to dispose of all kinds of property, both movable and immovable, subject to compliance with the local laws and regulations; they will, in particular, be able to dispose thereof by sale, exchange, gift, testamentary disposition, or in any other way, and to take possession by inheritance in accordance with the law, or under dispositions *inter vivos* or by will.

ARTICLE 4.

The admission in Turkey of nationals of the other contracting Powers to the different forms of commerce, professions and industry, and reciprocally the admission, in the territories of the said Powers, of Turkish nationals to the different forms of commerce, professions and industry, will form the subject of separate conventions to be concluded between Turkey and the said Powers within twelve months from the coming into force of the present convention.

It is understood that pending the conclusion of the said conventions the *status quo*, as on the 1st January, 1923, will be maintained, and that if any such convention has not been concluded at the end of the said period of twelve months each of the contracting Powers concerned will recover its freedom of action, subject to the rights acquired by individuals before the 1st January, 1923, being respected.

ARTICLE 5.

In Turkey, commercial, industrial and financial corporations, including transport and insurance corporations, which are regularly incorporated on the territory of any one of the other contracting Powers, shall be recognised.

In all matters relating to their constitution, their legal capacity, and their right to sue and be sued, they will be treated in accordance with their national law.

They will have the right to establish themselves in Turkish territory and to engage in all forms of commerce and industry in which nationals of the country where they were incorporated may engage, and which are not forbidden in Turkey to Turkish corporations. They will have the right freely to conduct their affairs in Turkey, subject to compliance with the prescriptions relating to public order, and will enjoy in this respect the same rights as any similar Turkish corporation.

They will have the right to acquire, to possess and to dispose of all kinds of movable property, subject to compliance with the local laws and regulations. They will have a similar right as regards immovable property, which is necessary for the operations of the corporation, provided, in this case, that the acquisition of such property does not constitute the object of the corporation's existence.

ARTICLE 6.

In Turkey the nationals of the other contracting Powers will not be subject to the laws relating to military service. They will be exempt from any such service and from any obligation or payment which replaces such service.

Their property may not be expropriated, or the use of it denied to them even temporarily, except for reasons of public interest recognised by law as such, and in return for fair compensation to be paid in advance. No expropriation may take place without public notice being previously given.

ARTICLE 7.

Turkey reserves the right to expel, in individual cases, nationals of the other contracting Powers either under the order of a court or in accordance with the laws and regulations relating to public morality, public health or pauperism, or for reasons affecting the internal or external safety of the State. The other contracting Powers agree to receive persons thus expelled, and their families, at any time.

The expulsion shall be carried out in conditions complying with the requirements of health and humanity.

Section 2.—*Fiscal Clauses.*

ARTICLE 8.

Nationals of the contracting Powers other than Turkey shall not be subjected to any charge, tax or impost of any kind or under any description whatsoever other or higher than those which may be imposed on Turkish nationals, in respect of their stay or residence in Turkish territory, or in respect of the exercise of any form of commerce, profession, industry, enterprise or activity of whatever kind in Turkey which is open to them in accordance with the provisions of article 4.

The nationals of the said Powers who are established abroad and who, while passing through Turkish territory, undertake any business, shall not be subjected to any charge, tax or impost of any kind or under any description whatsoever other or higher than those to which Turkish nationals or foreigners established in Turkey are subjected in respect of an activity of the same kind and importance, in accordance with the fiscal provisions in force in the country.

The property, rights and interests in Turkish territory of the nationals of the said Powers shall not be subjected to any impost, tax or charge, direct or indirect, other or higher than those which may be imposed on the property, rights and interests of Turkish nationals, whether as regards the acquisition, possession or enjoyment of the said property, or as regards its transfer by grant, exchange or succession.

ARTICLE 9.

Commercial, industrial or financial corporations, including transport and insurance corporations which are incorporated in accordance with the law of one of the other contracting countries, and which, in accordance with the provisions of article 5, establish themselves in Turkey or carry on their affairs there, shall not be subjected to any impost, tax or charge, of any kind or under any description whatsoever, to which corporations of the same kind incorporated under Turkish law are not subjected.

The same provisions apply to associated companies, branches, agencies and other representatives of firms or companies of the said countries which, in accordance with the provisions of article 5, are established or carry on their affairs in Turkey, it being understood that, when the control of these firms or companies is outside Turkey, the said associated companies, branches, agencies and representatives will only be taxed in proportion to the amount of the capital actually employed in Turkey, or in respect of the profits and revenues which they have actually earned there, these revenues being used to determine the amount of capital employed if it is impossible to verify that capital.

ARTICLE 10.

If the Turkish Government establishes any exemptions from fiscal charges, of any kind or under any description whatsoever, these exemptions will be granted to the nationals or companies established in Turkey of the other contracting countries in the same way as to Turkish nationals or to companies established under Turkish law.

This provision cannot be used to support a claim to the benefit of exemptions from charges granted to undertakings established by the State or to concessionnaires of a public utility service.

ARTICLE 11.

In respect of all matters referred to in articles 8 to 10, provincial or local charges, imposts or taxes, leviable in Turkey on the nationals of the other contracting countries, shall not be other or higher than those levied on Turkish nationals.

ARTICLE 12.

No forced loan or capital levy shall be imposed in Turkey, even in case of war, on nationals of other contracting countries established in Turkey or carrying on their affairs therein, or on their property, rights and interests situated in Turkish territory, or on corporations, associated companies, branches or agencies constituted under the law of one of the said countries and established in Turkey or carrying on their affairs therein.

ARTICLE 13.

The Capitulations having been abolished, Turkey will not grant to the nationals of foreign countries any treatment more favourable than that accorded to her own nationals, and will apply to her nationals and to the nationals of the other contracting parties the principle of equality of treatment as regards the matters referred to in this section.

CHAPTER II.—*Jurisdiction.*

ARTICLE 14.

In Turkey the nationals of the other contracting Powers, and reciprocally Turkish nationals in the territories of the said Powers, will have free access to the courts of the country, and may sue and be sued in the same conditions in all respects as nationals of the country, subject to the provisions of article 18.

ARTICLE 15.

Subject to the provisions of article 16 all questions of jurisdiction shall, as between Turkey and the other contracting Powers, be decided in accordance with the principles of international law.

ARTICLE 16.

In matters of personal status, *i.e.*, all questions relating to marriage, conjugal rights, divorce, judicial separation, dower, paternity, affiliation, adoption, capacity, majority, guardianship, trusteeship and interdiction; in matters relating to succession to personalty, whether by will or on intestacy, and the distribution and winding-up of estates, and family law in general, it is agreed between Turkey and the other contracting Powers, that as regards non-Moslem nationals of such Powers in Turkey, the national tribunals or other competent national authorities established in the country of which the party whose personal status is in question will alone have jurisdiction.

The present stipulation does not affect the special attributions of consuls in matters of status in accordance with international law or special agreements which

may be concluded, nor the right of Turkish courts to request and receive evidence respecting matters acknowledged above as being within the competence of the national authorities of the parties concerned.

By way of exception to the first paragraph of this article the Turkish courts will also have jurisdiction in the matters referred to therein, if all the parties to the case submit in writing to the jurisdiction of the said courts. In such case the Turkish courts will apply the national law of the parties.

ARTICLE 17.

The Turkish Government declares that the Turkish courts will ensure to foreigners in Turkey, both as regards person and property, protection in accordance with international law and the principles and methods generally adopted in other countries.

ARTICLE 18.

All questions relating to security for costs, execution of judgments, service of judicial and extra-judicial documents, commissions rogatoires, orders for the payment of costs and expenses, free judicial assistance and imprisonment for debt are left to be regulated between Turkey and the other contracting Powers by separate conventions between the States concerned.

CHAPTER III.—*Final Provisions.*

ARTICLE 19.

The contracting Powers reserve the right of declaring at the time of the coming into force of the present convention, that its provisions do not apply to all or any of their dominions enjoying responsible Government, of their colonies, protectorates, possessions or territories beyond the sea subject to their sovereignty or authority, and in this case Turkey will be released from her obligations under the present convention to the said dominions, colonies, protectorates, possessions and territories.

The said Powers may, however, adhere subsequently in the name of every dominion enjoying responsible government, colony, protectorate, possession or territory in respect of which they have, in accordance with the terms of the present convention, made a declaration of exclusion.

ARTICLE 20.

The present convention is concluded for a period of seven years from its coming into force.

If the convention is not denounced by one of the high contracting parties at least one year before the expiry of the said period it will remain in force until denounced. Such denunciation will take effect a year after notice of it is given.

In the event of the convention being denounced by any one of the contracting Powers other than Turkey the denunciation will only take effect as between such Power and Turkey.

Turkey will be entitled to denounce the convention either as regards all the contracting Powers, or as regards only one of them; in the latter event, the convention will remain in force as regards the rest.

ARTICLE 21.

The present convention shall be ratified.

The ratifications shall be deposited at Paris as soon as possible.

It shall enter into force in the same way as the Treaty of Peace of even date.

In faith whereof the above-named plenipotentiaries have signed the present convention.

Done at Lausanne, the , in a single copy, which will be deposited in the archives of the Government of the French Republic, who will transmit a certified copy to each of the signatory Powers.

[E 5900/1/44] No. 440.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June 7.*)

(No. 134.)

My Lord, *Lausanne, June 5, 1923.*

WITH reference to my despatch No. 106 of the 29th May, relative to the Commercial Convention, I have the honour to transmit to your Lordship herewith a translation of this convention. The text has now been definitely adopted, with the exception of two paragraphs in article 9 (not reproduced in the translation), which were intended to preserve existing rights as regards cabotage in Turkey, and will probably be replaced by an arrangement made outside the convention. Articles 17, dealing with the adhesion of non-signatory Powers, and 18, in so far as concerns the period for which the convention is to remain in force as regards Greece, Roumania and Serb-Croat-Slovene State, are still reserved.

Inasmuch as none of the points which are still unsettled directly affects the interests of the self-governing dominions, I venture to suggest that copies of the translation should be communicated at once to the Secretaries of State for the Colonies and for India, as was suggested in my despatch No. 128 of the 4th June, relating to the convention concerning the régime for foreigners. I should also be glad if copies of the translation could be communicated to the Board of Trade.

I have, &c.

HORACE RUMBOLD.

Enclosure in No. 440.

Commercial Convention.

(Translation.)

THE British Empire, France, Italy, Japan, Greece, Roumania and the Serb-Croat-Slovene State of the one part, and Turkey of the other part, animated with a desire to establish their economic relations on a basis of international law and under conditions most likely to encourage commerce and to facilitate trade, have resolved to conclude a convention for this purpose, and have appointed the following as their plenipotentiaries:

Who, having produced their full powers, found in good and due form, have agreed as follows:—

Section I.

ARTICLE 1.

From the coming into force of the present convention, the tariffs applicable on the importation into Turkey of the produce or manufactures originating and emanating from the territories of the other contracting countries shall be those of the Turkish specific tariff which came into operation on the 1st September, 1916.

ARTICLE 2.

The duties prescribed by the Turkish tariff of the 1st September, 1916, in Turkish paper money will be subjected to coefficients of increase periodically adjusted according to the rate of exchange under the conditions hereinafter provided.

These coefficients shall be those which were in force on the 1st March, 1923. Nevertheless, the articles set out in the annexed Schedule I shall be subjected to the coefficient 9.

The coefficients referred to above shall be adjusted in accordance with the rate of exchange as provided by the following rules:

These coefficients having been determined at a time when the pound sterling represented 745 paper piastres, if the Turkish pound shows an average increase of

more than 30 per cent. over this rate during the month preceding the coming into force of this convention, the coefficients 12 and 9 will be reduced proportionately to the average rate of exchange for that month; the coefficient will remain in force, as thus adjusted, for the following three months; at the expiration of that period of three months the coefficient will, should the case arise, be readjusted in accordance with the average rate of exchange of the last month of the period.

In the same way, if the Turkish pound shows an average decrease of more than 33 per cent. compared with the initial rate of 745 piastres for a pound sterling during the month preceding the coming into force of this convention, the coefficients 12 and 9 may be increased proportionately to the average rate of exchange for that month; the coefficient will remain in force, as thus adjusted, for the following three months; at the expiration of that period of three months, the coefficient will, should the case arise, be readjusted in accordance with the average rate of exchange of the last month of the period.

The coefficient 5 may be increased in the event of a decrease in value of the Turkish pound in the same conditions as the coefficients 12 and 9, but, in the event of an increase in value of the Turkish pound, that coefficient need only be reduced from the time when the pound sterling is worth less than £T. 5 paper.

In the event of monetary reform, the various coefficients fixed above will be modified to the extent of the difference between the new and the old currency in such a way as not to alter the incidence of customs duties.

Article 3.

Turkey undertakes to abolish from the coming into force of the present convention, and not to re-establish during its continuance, all prohibitions of import and export, except those which may be necessary—

1. To maintain the resources indispensable for the food of the people and to safeguard the economic activity of the nation;
2. To ensure the security of the State;
3. To protect persons, animals and plants against contagious diseases, epizooties and epiphytics;
4. To prevent the use of opium and other poisons;
5. To prohibit the import of alcoholic products the use of which is forbidden in Turkey;
6. To prevent the export of gold money or gold metal;
7. To establish or support State monopolies.

Subject to equitable reciprocity being accorded to her by each of the other contracting Powers in accordance with its legislation, Turkey undertakes to apply the prohibitions without discrimination of any kind, and, in the event of her granting exemptions or licences in respect of prohibited produce, not to favour in any way the trade of any one contracting Power to the prejudice of the trade of any other contracting Power, or to favour in any way the trade of any non-contracting Power to the prejudice of the trade of any contracting Power.

Article 4.

Subject to reciprocity, no consumption or excise duty shall be applicable in Turkey to goods originating or emanating from the other contracting countries except to the extent to which it is exacted in respect of identical or similar articles produced in Turkey.

Turkey may, however, continue to exact, under the same conditions of equality between her nationals and the nationals of the other contracting countries, the consumption duties set out in the schedule contained in Annex II in respect of the products specified in that schedule.

Subject to reciprocity, octroi duties and any other taxes exacted by local authorities will, if they are imposed on articles produced in Turkey, be applied without discrimination between Turkish products and products originating or emanating from the other contracting countries, and, if they are imposed on articles not produced in Turkey, will similarly be applied, without discrimination of any kind, to all identical or similar foreign products, whatever may be their origin.

Article 5.

Subject to an equitable reciprocity being accorded to Turkey by each of the other contracting Powers in accordance with its legislation, every export duty which Turkey may have imposed or may impose on any goods, natural or manufactured, shall be applied equally, whatever the country of destination. No discrimination to the prejudice of the commerce of any one of the other contracting Powers shall be established by any means.

Article 6.

Turkey will accord to the other contracting parties the benefit of any more favourable treatment in respect of the matters referred to in articles 1 to 5 which she may grant to any other country, except such special advantages as regards tariffs or generally in regard to all other commercial matters which she may grant to any one of the territories detached from Turkey by virtue of the Treaty of Peace of even date, or, as regards frontier trade, to a limitrophe State.

Article 7.

In order to determine the country of origin of imported goods, each of the high contracting parties may require the production by the importer of an official certificate stating that the article imported is the national produce or manufacture of the said country, or that it should be so considered having regard to the transformation which it has undergone in that country.

Certificates of origin in accordance with the form annexed to this section numbered III will be granted by the Ministry of Commerce or of Agriculture, or by the Chamber of Commerce to which the consignor belongs, or by any other authority or association which may be agreed upon by the country of destination. They will be authenticated by a diplomatic or consular representative of the country of destination.

Parcel-post packages will be exempt from the requirement of a certificate of origin when the country of destination recognises that no transaction of a commercial character is involved.

Article 8.

The benefit of the provisions of this section cannot be claimed by any of the contracting Powers which does not grant to Turkey during the whole period of the convention a treatment as favourable as that which it grants to any other foreign country.

Annex I.

List of Articles subject to the Coefficient 9.

No. in Tarif.	
65	Potatoes.
69	Oranges.
121	Confectionery (sweetmeats).
130	Mineral waters.
178	Dressed leather.
180	Pigskin.
185, 187, 188	Footwear.
192	Gloves
200, 201	Peltry, raw or prepared.
217, 218	Furniture.
273, 274, 275	Cotton, embroidery, lace and ribbons.
302	Silk waste.
305	Gauze, &c.
306	Silk tulle, &c.
308	Silk tissue.
311, 312	Silk hosiery.
314	Silk passementerie.
324	Woollen shawls and belts.
339	Clothing.
348	Sunshades, umbrellas, parasols, &c.

Annex II.

Consumption Taxes.

	Piastres.	
Tea	40	per kilog.
Coffee	20	"
Petroleum	6	"
Rice	10	"
Margarine, oleomargarine and edible fats	80	"
Candles, stearic	30	"
Ordinary soap	5	"
Sacks, old and new	5	"
Spices	30	"
Matches...	½	per box of 60 matches.
Wax matches	1	" "
Cigarette paper	1	per 50 sheets.
Tinder boxes	25	per tinder box.
Sugar	15	per kilog.
Biscuits...	Subject to a consumption tax according to percentage of sugar they contain.	
Chocolate		
Condensed milk		
Sweet stuffs and glucose		
Non-alcoholic beverages (gaseuses and limonades)		
Other products containing sugar		
Tobacco	40	per kilog.

Annex III

Form of Certificate of Origin.

We (authority which grants the certificate)* certify that—

M..... (Producer or Manufacturer) ‡
(Agent of M....., residing at .....) ‡
(Authorised Dealer),†

residing at ..... has declared before us, on his responsibility, that the goods specified below are of (Turkish or .....) origin or manufacture in accordance with reliable documents which have been produced to us by the consignor.‡ These goods are sent to ..... to the order of M....., merchant or trader at ..... by (land or ship .....).

Number and Nature of Packages.	Marks. Number	Gross and Net Weight (in Kilogrammes) or Measure of Capacity and Value.	Nature of the Goods.

Certified on my responsibility the ....

(Signature of the declarant) ....

Confirmed by us (authority which grants the certificate), who attest also that the sale of the goods specified above has been actually concluded in this country.

(Date and signature of the authority which grants the certificate) endorsed at the Consulate of ..... for verification of this signature.

(Date, signature and seal of the Consulate)..... .....

* The certificate will be granted either by the Ministries of Commerce or Agriculture or by the Chambers of Commerce to which the consignor belongs, or by any other authority or association which may be agreed upon by the country of destination.

† Strike out the words which are inapplicable.

‡ When the certificate is obtained by the producer or manufacturer, or his agent, the words "in accordance with reliable documents which have been produced to us by the consignor" should be struck out.

Section II.

Article 9.

Turkey undertakes, on condition that reciprocity is accorded in this matter, to grant to the ships of the other contracting Powers a treatment equal to that which she grants to national ships, or any more favourable treatment that she grants or may grant to the ships of any other Power.

Each of the high contracting parties retains the right of reserving to the national flag fishing, maritime cabotage, that is to say, transport by sea of goods and passengers embarked in one port of its territory for another port in the same territory, and port services, that is to say, towage, pilotage and all interior services of whatever nature they may be.

Paragraphs 3 and 4 reserved.

Article 10.

Subject to the exceptions referred to in the preceding article with respect to fishing, maritime cabotage and port services, a treatment equal to that granted to national ships will be granted reciprocally by Turkey on the one hand and by each of the other contracting parties on the other hand as regards the right to import or export goods of every description or to transport passengers going to or coming from the country and the enjoyment of all facilities with regard to stationing, loading and unloading of vessels at ports, docks, quays and roads.

There shall also be an absolute equality, subject to the same condition of reciprocity, as regards dues, charges and payments of all kinds levied on ships, such as sanitary dues, port, quay, harbour, pilotage, quarantine, lighthouse and other similar dues levied in the name of or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind.

Turkey also undertakes, on condition of reciprocity, not to subject imported or exported goods to any differential due, surtax, or increase of any nature or kind based on the flag of the ship by which the goods are imported or exported, on the ports of arrival or departure, on the voyage of the ship or the ports at which it has called, the dues and taxes leviable on goods imported or exported being determined only on their origin or their destination, and being applied equally as regards all the contracting Powers in accordance with the provisions of Section I.

Article 11.

All classes of certificates or documents relating to vessels, their cargoes and passengers which were recognised as valid by Turkey before the war or which may hereafter be recognised as valid by the principal maritime States shall be recognised by Turkey as regards the vessels belonging to the other contracting Powers as valid and as equivalent to the corresponding certificates issued to Turkish vessels.

These provisions will only have effect if the certificates and documents delivered by Turkey to Turkish vessels, in conditions equivalent to those adopted in the principal maritime countries, are regarded by the other contracting Powers as equivalent to the certificates and documents delivered by them.

Section III.

Article 12.

Turkey undertakes, on condition of reciprocity, to adopt all the necessary legislative and administrative measures, and to allow access to the courts in order to protect goods the produce or manufacture of any one of the other contracting Powers from all forms of unfair competition in commercial transactions.

Turkey undertakes, also on condition of reciprocity, to prohibit and repress by appropriate remedies the importation, exportation, manufacture, distribution, sale or offering for sale in her territory of all goods bearing upon themselves or their get-up or wrappings any marks, names, devices, or descriptions whatsoever which are calculated to convey, directly or indirectly, false indications of the origin, type, nature or special characteristics of such goods.

Article 13

Turkey undertakes, on condition that reciprocity is accorded in these matters, to respect any law or any administrative or judicial decision given in conformity with such law in force in any other contracting State and duly communicated to her by the

proper authorities, defining or regulating the right to any regional appellation in respect of products which derive their special qualities from the soil or the climate, or the conditions under which the use of any such appellation may be permitted; and the importation, exportation, manufacture, distribution, sale or offering for sale of products or articles bearing regional appellations inconsistent with such laws or orders shall be prohibited by Turkey and repressed by the measures prescribed by article 12.

ARTICLE 14.

Turkey undertakes, within a period of twelve months from the coming into force of the present convention

(1.) To adhere in the prescribed form to the International Convention of Paris of the 20th March, 1883, for the protection of industrial property, revised at Washington on the 2nd June, 1911.

(2.) To adhere also to the International Convention of Berne of the 9th September, 1886, for the protection of literary and artistic works, revised at Berlin on the 13th November, 1908, and the additional protocol of Berne of the 20th March, 1914, relating to the protection of literary and artistic works.

The other signatory Powers to this convention will raise no objection, while it remains in force, to the reserve which Turkey proposes to make with regard to the provisions of the aforesaid conventions and protocol respecting the right of translation into the Turkish language, if the other Powers co-signatories of those conventions and protocol have not themselves raised any objection to the said reserve during the year following the coming into force of this convention.

In the event of the signatory Powers to this convention not maintaining their adhesion to the Turkish reserve respecting the right of translation, Turkey will not be bound to maintain her adhesion to the conventions and protocol mentioned above.

(3.) Within the same period to recognise and protect by effective legislation, in accordance with the principles of the said conventions, the industrial, literary and artistic property of the nationals of the other contracting Powers.

ARTICLE 15.

Special conventions between the countries interested shall determine all questions relative to the records, registers and designs in connection with the services relating to industrial, literary and artistic property and their eventual transmission or communication by the Turkish offices to the offices of the States in favour of which territory is detached from Turkey.

General Provisions.

ARTICLE 16.

The contracting Powers reserve the right of declaring, at the time of the coming into force of the present convention, that its provisions do not apply to all or any of their dominions enjoying responsible government, of their colonies, protectorates, possessions or territories beyond the sea subject to their sovereignty or authority, and in this case Turkey will be released from her obligations under the present convention to the said dominions, colonies, protectorates, possessions and territories.

The said Powers may, however, adhere subsequently in the name of every dominion enjoying responsible government, colony, protectorate, possession or territory for which they have, in accordance with the terms of the present convention, made a declaration of exclusion.

ARTICLE 17.

Reserved. Non-signatory Powers shall have the right to adhere to this convention.

This adhesion shall be notified through the diplomatic channel to the Government of the French Republic, and by that Government to all the States which are signatories or have adhered. It shall take effect from the date of the notification to the French Government.

ARTICLE 18.

Reserved. This convention will remain in force for a period of five years.

As regards Section I, Turkey, on the one hand, and Greece, Roumania and the Serb-Croat-Slovene State, on the other hand, recognising the necessity of settling a new

basis for their commerce within the shortest possible time, agree to recognise the right to denounce this convention at any time after the termination of the first period of thirty months; the convention will cease to have effect six months after the denunciation.

Turkey, on the one hand, and each of the other contracting Powers, on the other hand, undertake at any time during the periods hereinbefore fixed for the duration of the convention, on request being made, to begin negotiations for new commercial treaties and to proceed actively with those negotiations, so that they may be concluded before the expiration of the said periods.

If the said negotiations have not been concluded before the expiration of the aforesaid periods each of the high contracting parties will resume its freedom of action.

ARTICLE 19.

The present convention shall be ratified.

The ratifications shall be deposited at Paris as soon as possible.

It shall enter into force in the same way as the Treaty of Peace of even date.

In faith whereof the above-mentioned plenipotentiaries have signed the present convention.

Done at Lausanne, the , 19 , in a single copy, which will be deposited in the archives of the Government of the French Republic, which will transmit a certified copy thereof to each of the signatory Powers.

(Signatures and seals.)

No. 441

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received June 7.*)

(No. 157.) [By Bag.]
(Telegraphic.) *Lausanne, June 4, 1923.*

MY telegram No. 148

The private meeting between Ismet Pasha and the Allied delegates, assisted on each side by experts, to discuss the question of concessions, took place this morning. I was unavoidably prevented from attending personally. Mr. Ryan took my place.

My colleagues and I had agreed, for the reasons stated in my telegram No. 151, that it would be better to inform Ismet Pasha at once of the assent of our Governments to the proposed judicial declaration. It was decided to make the announcement at the outset of this morning's private meeting, in the hope that it would create a favourable atmosphere for the discussion of the concessions question. Ismet Pasha expressed thanks for the announcement, but was not gushing.

M. Montagna then showed Ismet Pasha a copy of the statement of principles embodied in my telegram No. 149, and explained the reasons for which it would probably be necessary after all to deal with concessions in the treaty. Ismet Pasha professed to be taken aback. He said the statement contained everything which had been laid down in the draft treaty of 31st January, including a demand for reparation, although it had since been arranged that the matter should be the subject of negotiations with the companies at Angora. He could not understand why the question was now raised in Lausanne.

General Pellé made a very clear statement of the Allied position. He read the portion of his general instructions from the French Government bearing on the subject. He stated most strongly that, in agreeing to the Angora negotiations, the Allied Governments had not intended to renounce their right to protect Allied capital or to leave their subjects to their own resources. He emphasised the fact that reparation did not necessarily mean the payment of cash indemnities, as in most cases it could be provided for in other ways

Ismet Pasha said he would consult his Government, but he foresaw great difficulty. He suggested that, if little progress had been made at Angora, it was due to the dilatoriness of the Allied subjects concerned in beginning them. He took strong exception to any suggestion that companies were entitled to indemnification for war losses. He contended that the Allies must choose one of the two alternatives: either the companies were Turkish and, in that case, the Allied

Governments had no ground for interfering between them and the Turkish Government, or the interests involved were those of Allied subjects, and in that case, any reparation for war losses came under the settlement of the reparations question.

Mr. Ryan said that the procedure now contemplated was exactly what was foreshadowed in the Allied note of the 27th March. He urged that, if there had been delay in beginning the Angora negotiations, the Allied interests were by no means solely responsible for it. He confirmed what General Pellé had already said to the effect that the Allied Governments had never renounced their right to protect the important interests of their subjects whose capital was involved. As for the question of indemnification, a distinction had throughout been made between reparation to concessionnaires and the reparation to Allied subjects contemplated in the financial clauses of the treaty. The Turks had been well aware of this distinction and, in redrafting article 57 of the treaty, they had made no attempts to alter its scope so as to include Allied subjects who had suffered in their capacity as shareholders in concessionary companies.

The subsequent discussion was very lengthy. Ismet Pasha asked for explanations on certain points in the statement of principles. As regards inchoate pre-war concessions, he argued that any question regarding the rights of the claimants was a purely juridical one, and could not be dealt with in a political treaty. He provoked laughter by advancing the novel suggestion that, if concession contracts were re-adapted to new conditions, the same rule should apply to loan contracts. He evaded a proposal of M. Montagna's that the principles in the Allied statement should be discussed one by one. He reaffirmed with constant iteration and great persistency his main points, which were that the question of concessions could only be settled by the negotiations at Angora; that no proposal to indemnify the companies for war losses could be entertained, though he admitted at one moment that, if indemnification were merely to take the form of readaptation to new conditions, the question need not present great difficulty; that there was no occasion to embody in the treaty provisions concerning the relations between concessionary companies and the Turkish Government; and that, if agreements with such companies were to be readapted, loan contracts must also be readapted.

The Allied delegates repeatedly traversed these arguments on the lines already indicated above. They refused to admit any analogy for readaptation purposes between concession contracts and loan contracts. They disclaimed any intention of forcing the Angora Government to accept all the demands of the companies, and pointed out that their statement of principles contemplated arbitration on matters which could not be settled by negotiation.

Ismet Pasha repeated that he would refer the matter to his Government, but he said he could state at once that no proposal to indemnify the companies for war losses would be entertained and his Government would probably hold that the principle of readaptation, if accepted, must apply to all contracts, including loan contracts. He harped on what he called the unforeseen character of the proposal now being made to him. He said that if the companies thought that they could get everything they wanted, thanks to the backing of the Allied delegates at the conference, nothing would ever be settled at Angora.

General Pellé protested against this description of the situation at Angora. He read extracts from reports he had received as to how matters were proceeding there. These reports showed that, while one or two companies had reached a settlement and others seemed to be making good progress, several were in a very unsatisfactory position. The representative of the Smyrna–Cassaba Railway had had such poor success that he had left Angora to consult his principals, though without breaking off negotiations. Mr. Ryan said that the reports from Angora concerning British negotiations were less detailed, but their general tenor showed that things were going very slowly.

General Pellé said that the Allied delegates did not want in any way to hamper the discussions at Angora. They merely wished to agree here upon principles in order that the conclusion of peace might not be delayed. He once more summed up the desiderata of the Allied Powers, and said that if agreement in principle were reached, a suitable form for giving effect to it could be devised.

Ismet Pasha was given a copy of the statement of principles. It was, however, impressed on him that it was not in any sense a text which the Allied delegates were proposing for his acceptance, but merely a note prepared to serve as a basis of discussion.

The results of the discussion were extremely nebulous. Ismet Pasha, while unbending on certain points, especially the question of indemnification for war losses, seemed anxious not to indispose the Allied Governments by taking up a *non possumus* attitude as regards negotiations here. It is pretty clear that his present intention is not to give satisfaction on this or any other important questions until he has made further progress with the two questions which now loom largest in his mind, namely, those of the interest on the debt and the evacuation of Constantinople and Chanak.

Towards the end of the discussion recorded above, General Pellé referred to the question of the Chester Concession in relation to the French agreement of 1914. He said that this was a question specially concerning France and Turkey, but that he thought it would be well to discuss it in the presence of his Allied colleagues. He explained that he preferred to do this at a private meeting rather than at an official sitting of the conference. Ismet Pasha acquiesced, and it was decided to take the matter up at a further private meeting to-morrow.

(Sent to Constantinople, No. 62.)

No. 442.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 7.)

(No. 158.) [By Bag.]
(Telegraphic.) *Lausanne, June 5, 1923.*

MY immediately preceding telegram.

General Pellé informed me last evening that he was bound by instructions from his Government to take up the question of the Chester Concession. He read a telegram from his Government in which it was stated that his Allied colleagues had had instructions to support him. I have had no formal instructions in this sense, but I am assuming that it is in accordance with the views of His Majesty's Government that I should afford general support. My French colleague explained that he was unwilling to make a demonstration at an official sitting of the conference regarding the Chester Concession, and that he therefore wished to raise the matter at one of the private discussions with Ismet Pasha.

He said he had no intention of asking the Turks to cancel the Chester Concession. This would be an extravagant demand, and, as a matter of fact, he did not think the schemes of the Chester group would ever be realised. He mentioned that he had spoken to Mr. Grew on the subject and that Mr. Grew had telegraphed to Washington.

No. 443.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 7.)

(No. 159.) [By Bag.]
(Telegraphic.) *Lausanne, June 5, 1923.*

MY committee reviewed following outstanding questions this afternoon:

Article 3 (1) *and article* 16.

General Pellé explained that he was still awaiting Ismet Pasha's definite reply to his proposal that the Turkish addition to these articles regarding the Angora Agreement should be dropped, but that France should reaffirm that agreement in an exchange of notes. I made it quite clear that so far as my delegation were concerned, there could be no question of accepting the Turkish additions and that a definite decision must be reached by the Turkish delegation before the next and final meeting of my committee.

Article 3 (2).

Ismet refused to give any answer regarding the period for separate negotiations on the Irak frontier, and he significantly linked up this question with that of the Turkish addition to article 1 regarding evacuation.

The committee then formally recorded the arrangement reached in private conversation last Monday whereby the Maritza thalweg and the Rabbit Islands were conceded to Turkey, while the Turkish delegation withdrew its reserves regarding Castellorizo and Ada Kala.

Article 20.

The draft provisionally accepted at the last meeting of my committee by the Italian and Turkish delegations was finally completed by the addition of the words: "Sans préjudice des dispositions générales de l'article 25" at the beginning.

Article 35.

I announced that this article would be dropped.

Articles 152 *and* 153.

A text of both these articles had been agreed by the Drafting Committee (see my despatch No. 125 of 4th June). Ismet pointed out that article 152 really only dealt with orders and decisions affecting private persons and that contracts, concessions and financial arrangements, &c., entered into by the Constantinople Government were dealt with by other articles in the treaty. He therefore proposed the omission of the words "ou d'accord avec." I refused to accept this, and the article was referred again to the jurists.

Article 153 was accepted as drafted by the jurists.

Article 139 *bis* (Wakoufs in the Dodecanese and Greece).

Two declarations (the texts of which are enclosed in my despatch No. 129 of 5th June) were proposed by the experts, one regarding Wakoufs in Greece to be made by the inviting Powers, and the other regarding Wakoufs in the Dodecanese to be made by the Italian delegation. Both were accepted by the committee and duly recorded in the *procès-verbal*. I also read a short declaration explaining that the treatment of Wakoufs in Cyprus was in full conformity with the declarations made by the Italian delegation and the inviting Powers regarding Wakoufs in the Dodecanese and Greece (see also my despatch No. 129 of 5th June for the text). This disposes of the Turkish demand for the addition of this article to the treaty.

Article 20 *of the Etablissement Convention.*

After Ismet had made an ingenuous attempt to fix the duration at six years on the ground that the Allies were proposing seven and the Turks five, the compromise proposed by the Allies at the last meeting of my committee, namely, seven years, was accepted by Ismet. The Etablissement Convention is thus complete.

The Judicial Declaration.

After Ismet had been informed at a private meeting this morning that our three Governments had accepted the judicial declaration (see my telegram No. 157), the declaration itself was circulated to the conference. I asked whether any other of the delegations who had not been represented at the private discussions wished to make any observations. Mr. Grew read a declaration to the effect that he understood the object of the judicial formula was to inspire confidence in Turkey among foreigners who wished to reside and trade there. He said that he was glad to see that in this direction certain detailed safeguards had been inserted, and he felt sure that no one more than Ismet Pasha would realise the immense importance to Turkey of giving the most liberal possible interpretation to the declaration in order that Turkey might attract the capital and skill necessary for reconstructing the country and with a view to enter into closer relations with the Western Powers. Ismet emphasised the spontaneous character of the declaration which showed how far the Turks were disposed to go in order to ensure a satisfactory judicial régime in Turkey. The declaration was not intended to accord special rights to foreigners and was intended just as much for Turks as for foreigners. In response to my request he fulfilled the promise which he had made at the private meeting by formally stating that the Turkish Government intended to engage at least four counsellors and to fix their salaries and conditions of service in agreement with the International Court of Justice at The Hague. The Allies took note of this statement.

A discussion followed on the report of the experts regarding the amnesty declaration (see my despatch No. 123 of 4th June). I pressed the Turkish delegation to explain the precise scope of the first part of article 1, in so far as the return to Turkey of Armenians and other Turkish subjects who had left Turkey since the armistice were concerned. Riza Nur in reply read a rather involved declaration which explained that, while the amnesty was a general one and while the Turkish delegation had every intention of carrying out the Exchange of Populations Convention, the Turkish Government reserved to itself the right to prevent the return to

Turkey of all suspects, spies and evil-doers, &c. This did not mean, however, that peaceful persons of good character would not be allowed to go back.

My Allied colleagues and I pointed out in reply the anomaly of thus permitting the Turks to reserve to themselves the right to make many more exceptions from the amnesty than the original 150 provided for already in a separate protocol and who are in fact all Moslem Turks. It was a very serious matter for the conference to pass over what amounted to the perpetual banishment of a large category of Turkish subjects who were thus deprived of their homes and were forced to live in many cases at the expense of the other countries who were harbouring them, while their goods in Turkey were forcibly seized and sold on the ground that they had not returned.

At this point General Pelle and I pressed Ismet Pasha to make an explicit declaration that most, if not all, of this scattered Armenian community should be allowed to return to Turkey, except where definite proof against individuals existed. Ismet refused to enter into any engagement regarding the return *en masse* of these people. He said that the better disposed among them were perfectly well-known, and would find it quite easy to satisfy the Turkish authorities of their good character. He did not, however, satisfactorily explain how that large category of Armenians whom the Turkish Government in any way suspected was in fact to be given an opportunity of proving their innocence in a legal manner before the Turkish courts. Finally he took refuge in the quibble that the amnesty only concerned persons in Turkey or after they had entered Turkey, and in no way affected the Turkish Government's right to prevent those of its subjects who had left from returning. I pointed out that when the Turks had refused to consider the creation of a national home for the Armenians, they had declared during the first phase of the conference that the Armenians were free to settle in any part of Turkey. Yet now it was apparent that the Turkish Government meant to prevent the return of the large number of Armenians who had left Turkey last year under the impulse of fear.

This question had perforce to be left in an unsatisfactory state by the conference, but the Turkish attitude of course renders the amnesty to a large extent a farce, and I trust that as much publicity as possible will be given to the matter.

M. Veniselos also insisted upon Ismet Pasha formally reaffirming those articles in the Exchange of Populations Convention which enable those Greeks of Constantinople who are exempted from the exchange to return to Constantinople if they left before a certain date. Ismet Pasha demanded a similar declaration regarding the Moslems in Western Thrace. In reply, M. Veniselos offered complete reciprocity as regard any Moslems who might have been forced to leave their homes owing to the recent necessary, but regrettable, military measures of an exceptional nature taken by the Greek military authorities. Finally, since Ismet Pasha's declaration regarding the Greeks of Constantinople did not seem completely to satisfy M. Veniselos, it was arranged that the two should discuss the matter again in private.

With regard to M. Veniselos's reserve on the first part of the amnesty, Signor Montagna briefly explained that he did not wish to press his attitude regarding the proposed exceptions from the Greek amnesty to the point of preventing M. Veniselos from signing the treaty, but that he trusted the Greek Government would interpret any clause regarding such exceptions in a generous spirit. M. Veniselos thanked Signor Montagna and assured him that the exceptions aimed only at enabling the Greek Government to banish a few embezzlers of army funds and some officers who had shown cowardice in the face of the enemy. The committee then accepted the text of the protocol prepared by the British delegation to be added to the amnesty, reserving the right of the Greek Government to prosecute members of the Greek army of Greek race and nationality accused of dereliction of duty during the hostilities between Turkey and Greece.

The Turks withdrew their reserve on the paragraph regarding the reciprocal amnesty of offenders in the occupied territories—an article which they wished to add to the amnesty declaration, after the Allies had declared their intention to recommend to their Governments the generous treatment of the few exceptions from the amnesty which they were forced to demand.

The Italian delegation finally asked that the Turkish delegation might make some similar declaration as to their intentions regarding any Allied subjects who might have been tried for offences against common law outside the occupied territories and sentenced by the Turkish tribunals. No such cases are known to exist and the Italian delegation got no satisfaction from the Turks.

The meeting concluded by a general appeal from the presidents of each of the three committees that outstanding questions should be wound up this week.

I intend to hold one more and final meeting of my committee to settle definitely the few still outstanding points, namely, article 1 (Evacuation); article 2 and the article to be added to the Thracian Frontier Convention regarding Karagatch and the railway; article 3 (1) and (2) (Syria and Irak Frontiers); article 16 (relating to article 7 of the Angora Agreement); article 156 (Arms Traffic Convention); article 157 (Prize Court Decisions and Prizes); and article 159 (Adherence of Belgium, &c., to the Financial and Economic Clauses).

The experts have already produced an unanimous report regarding article 2 and the article to be added to the Thracian Frontier Convention, but M. Venizelos is engaging in further private conversations with Ismet Pasha regarding the two outstanding details of the Graeco-Turkish reparations settlements, viz., requisitions and the treatment of the population in the ceded territory round Karagatch. I therefore considered it preferable not to touch on these questions at the committee to-day.

No. 444.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received June 7.*)

(No. 160.) By Bag.
(Telegraphic.) *Lausanne, June 5, 1923.*

MY telegram No. 158.

At the private meeting with Ismet this morning to consider the French 1914 concessions, having regard particularly to the recent Chester Concession, General Pellé read a statement tracing in some detail the history of the 1914 concessions and showing clearly that these concessions had been regarded by the Turkish Government as valid and effective before the war. As evidence that the Turkish Government had regarded them as binding, he referred particularly to the fact that the law authorising the loan in connection with which these concessions were granted had been actually passed by the Turkish Parliament, that the proceeds of the first issue of the loan had been placed at the disposal of the Turkish Ministry of Finance, and that, in collaboration with the Turkish Ministry of Public Works, active steps had been taken to begin the work of construction of the Samsoun-Sivas line.

General Pellé also referred to verbal statements made by representatives of the Angora Government in February 1922, to the effect that at that time the Angora Government recognised the validity of these French concessions, and he enquired of Ismet whether the rights under the 1914 agreements were now recognised.

Ismet first stated that he regarded this question as outside the competence of the conference, and then that the question of the validity of these contracts was one for careful examination from a legal point of view, and that it could not therefore be determined by the treaty.

General Pellé stated that the principle which the Allies were seeking to establish was the recognition of pre-war concessionary contracts in general, and in applying this general principle they considered that contracts which had been recognised by the respective Governments before the war as valid should be recognised as valid now. Ismet again stated that it was impossible for him to decide on the validity or invalidity of these contracts, which was a matter for legal investigation, and was, according to his instructions, outside his competence.

General Pellé replied that his Government considered the question within the competence of the conference, and would not be prepared to conclude peace without proper provision being made for the protection of the interests of their nationals.

M. Montagna supported General Pellé, stating that it was not possible for the Allies to sign a peace treaty without protecting interests of this kind.

I supported my colleagues, pointing out that the contracts were entered into in consideration for the issue of a loan in respect of which money had actually been received by the Turkish Government, and that the commencement of execution of the contracts had taken place before the war. I stated that I could not recommend my Government to sign a peace treaty unless the principles put forward at yesterday's meeting were adopted.

Ismet stated that he would refer to his Government for instructions. He then enquired whether we were yet in a position to proceed with the questions of the interest on the debt and evacuation, and was informed that we were not yet ready.

No. 445.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received June 7.*)

(No. 161.) [By Bag.]
(Telegraphic.) *Lausanne, June 5, 1923.*

GENERAL PELLÉ consulted me to-day with regard to the tactics which we should pursue in this final phase of the conference. He said that he was writing privately to M. Poincaré on the subject.

He suggested that we should decline to discuss the question of the evacuation of Constantinople, &c., until the Turks had settled the other two outstanding questions, namely, the currency in which the interest on the debt is to be paid, and the protection to be afforded to the concessionary companies. As I have throughout told Ismet that we must settle all questions before dealing with the question of the evacuation, I found no difficulty in agreeing with General Pellé.

It is evident to both of us that the Turks are connecting the question of the interest on the debt with that of concessions. We do not propose to allow these questions to drag on too long, and General Pellé suggested that if they were not settled, say by the end of the week, we should prepare the necessary articles in connection with the above-mentioned questions, and submit them for acceptance by the Turks within a given period. I informed General Pellé that I was inclined to agree with his suggestion.

No. 446.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received June 7.*)

(No. 164.) [By Bag.]
(Telegraphic.) *Lausanne, June 5, 1923.*

AS it is now clear that concessionary companies in Turkey will not obtain cash indemnities for war damage, the difficult question arises as to whether these companies should share in the 5,000,000*l.* reparation fund. Claims for loss of profits and for payments for services rendered (as transport of troops) would be excluded, but even so the claims of these companies in respect of destruction of their properties and theft or requisition of their goods would probably be so large as to swamp the 5,000,000*l.* fund, and leave so small an amount available for private traders and other individual claimants that those claimants would, in many cases, be irretrievably ruined.

On humanitarian grounds there is a strong case for excluding the concessionary companies, and technically such companies are Ottoman and not Allied subjects.

On the other hand, the companies will bitterly resent our failure to obtain for them reparation from Turkey, as proposed in February, followed by our refusal to allow them to share in the reparation fund. As you know, the most important British company is the Smyrna Aidin Railway Company, whose chairman, Lord St. Davids, has already criticised, in public speeches, the policy of His Majesty's Government in regard to the company's claims.

I should be grateful if the Board of Trade and Treasury could be consulted, and your Lordship's views telegraphed to me as soon as possible.

No. 447.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received June 7.*)

(No. 165.) By Bag.
(Telegraphic.) *Lausanne, June 5, 1923.*

I UNDERSTAND that the French delegation yesterday telegraphed to Paris for authority to put forward a proposal that the mutual renunciation of reparation between Turkey and the Allies should exclude on the one hand requisition notes held by Allied subjects for requisitions in Turkey since August 1914, and on the other hand rent for private premises occupied by Allied military authorities in

Constantinople since the armistice. The cost to the French Treasury is estimated at 80,000*l*., and the amount of unpaid requisition notes held by French nationals is estimated at a much larger amount. It is proposed that the claims on each side should be balanced and only the excess paid over, so that in fact the Allied Governments would pay the claims of Allied nationals in large part, Turkey being liable to make up the balance. Such an arrangement would be even more advantageous to Italy, whose liability for rents is small, whereas Italians received requisition notes during the long period of Italy's neutrality.

This proposal would, I fear, be regarded by the Turkish delegation as an attempt to reopen the reparation question in another form, and its announcement, discussion and eventual rejection would complicate the issues and delay the signature of the treaty.

It is a complete reversal of our previous attitude, since it has always been tacitly assumed that requisition notes would not be paid as normal debts, but would give rise to reparation claims. The Turkish counter-draft of article 57 expressly provides for the abandonment of claims arising from requisition, and the experts have discussed this draft for many hours without taking any objection to this provision. Moreover, we have actually quoted it as justifying the Greek demand that waiver of reparations should include waive of requisitions. Even if Ismet can now be persuaded to agree to this, he will probably take back his consent if the other Allies claim payment by Turkey of their requisition notes.

I have, of course, the greatest sympathy with British nationals whose goods were regularly requisitioned, but who will now obtain satisfaction of only a small part of their claims, but I think that the French proposal would cause serious difficulties and dangers here without any eventual advantage to the Allied nationals whose goods were requisitioned.

I presume the Treasury will be most unwilling to ask Parliament to vote the money required to cover the cost of rents for private premises occupied by British troops in Constantinople. The amount involved would, of course, depend on the method in which rents were assessed, but would in any case be considerable.

I should be glad to receive your Lordship's instructions as to the attitude which I should adopt if the proposal is officially put forward by my colleagues.

No. 448

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 7.)

(No. 166.)
(Telegraphic.) *Lausanne, June 6, 1923.*

MY telegram No. 161, which is being sent by bag, reports a discussion with General Pellé as to final phase of negotiations. The question was again discussed between us this morning. Owing to a careless mistake on the part of French Foreign Office, General Pellé's despatch, asking for instructions about question of debt coupons, did not reach M. Poincaré before he left for Brussels, and General Pellé does not expect to receive a reply until Saturday.

We propose to compare instructions received from our Governments on Saturday, and on Sunday to hold a private meeting with Ismet to resume discussion of debt question in the light of these instructions. We propose at this meeting to present texts, both on debt question and on concessions question, latter being in the form of a declaration of principles on which negotiations with concessionnaries will be based. Without in any way delivering an ultimatum we propose to ask Ismet for a very early reply on these texts. We propose to deal with the above-mentioned declaration of principles in the same way as we dealt with declaration regarding judicial safeguards for foreigners. During discussion of these texts we shall be prepared to make such concessions as have been authorised by our Governments, for example, to drop demand for cash compensation to concessionary companies, and texts as thus amended will represent our last word. This procedure should enable discussions to be terminated early next week, unless, which is quite possible, Turks prove intractable.

No. 449.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 7.)

(No. 167.)
(Telegraphic.) *Lausanne, June 6, 1923.*

MY telegram No. 146.

My own [group omitted: ? view] is that at present we should make no concession beyond that of allowing declaration to be accompanied by a covering letter, but that we should, in the last resort, but only in the last resort, agree to abandon proposal to confirm decree of Muharrem and loans contract of [? 11th March] either by treaty or by declaration, leaving question to be dealt with entirely as between Turkey and her creditors. Procedure of 1878 would afford a precedent for this.

It is clear that in any case Turkey will default by paying in francs and it does not seem justifiable in last resort to allow a rupture to occur by insisting that Turkey shall on paper, confirm obligations which we all know she does not intend, in fact, to fulfil.

No. 450

Sir H. Rumbold to the Marquess Curzon of Kedleston. (Received June 7.)

(No. 168.)
(Telegraphic.) *Lausanne, June 6, 1923.*

MY telegram No. 165.

My French colleague seemed to-day disposed to drop this unfortunate proposal, and I hope to get my Italian colleague into line

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No. 451

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 7.)

(No. 169.)
(Telegraphic.) *Lausanne, June 6, 1923.*

YOUR telegram No. 63.

I informed my Allied colleagues this morning of your views.

Italian delegate is in entire agreement with them, but French delegate referred to telegram from his Government, substance of which I reported in my telegram No. 150. French delegate undertook to inform his Government of divergence of opinion between your views and views of French Government.

No. 452

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 8.)

(No. 229.)
(Telegraphic.) *Athens, June 7, 1923.*

CONSTANTINOPLE telegram No. 337.

We have had so many of these unsubstantiated reports that I do not think that any useful purpose would be served by fresh representations here (see paragraph 4 of my despatch No. 202). In the present temper of Greek army commanders, reprisals such as suggested might easily provoke hostilities which, to judge from information given to me by British visitors from Constantinople, Turks may have more cause to regret than Greeks. It seems to me that Greeks are wise in removing their property from Karagatch as Greece cannot support any further addition to her destitute refugee population.

(Repeated to Constantinople and Lausanne.)

No. 453.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 8.)

(No. 230.)
(Telegraphic.) *Athens, June 8, 1923.*

MY telegram No. 227.

Mr. Atchley learnt last night from same source that Commander-in-chief is down with enteric trouble, and not likely to make mischief for next ten days at any rate.

Informant will visit him when he is better and do his utmost to deter him from rash acts. Informant himself, a Cretan, maintains that Cretan division, upon which Commander-in-chief must largely rely, will almost certainly follow lead of "Eleftheron Vima" group largely composed of Cretans.

(Repeated to Lausanne.)

No. 454

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 9.)

(No. 170.) [By Bag.]
(Telegraphic.) *Lausanne, June 7, 1923.*

MY colleagues and I discussed yesterday morning certain arrangements for the final meeting of the conference for the signature of the treaty. The Swiss authorities have expressed a wish that it should take place in the hall of the Lausanne University. This hall has been inspected and found suitable. We therefore propose to acquiesce in the suggestion of the Swiss authorities.

We have reason to believe that it would be greatly appreciated if the President of the Swiss Confederation were asked to preside at the final meeting. My colleagues and I agree that by paying this compliment to the Swiss the inviting Powers would be signifying in a very appropriate manner their appreciation of the hospitality extended by them to the conference. If you approve, I would suggest that His Majesty's Minister at Berne should be instructed to convey the invitation jointly with his French, Italian and Japanese colleagues as soon as they hear from the respective delegations here that the proper moment has arrived.

No. 455

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 8.)

(No. 172.)
(Telegraphic.) D. *Lausanne, June 8, 1923.*

YOUR telegram No. 62.

My Allied colleagues and I considered to-day with our legal advisers points raised in your above-mentioned telegram. General sense of meeting was favourable to your suggestions and legal advisers are seeing in what manner effect can be given to them.

As regards question of evacuation, my colleagues and I unanimously agreed to recommend to our respective Governments that evacuation should begin on ratification by Turkey, and that it should be completed in six weeks' time.

No. 456.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 73.)
(Telegraphic.) R. *Foreign Office, June 8, 1923.*

YOUR telegram No. 146 of 2nd June: Ottoman debt.

Treasury point out, in first place, that if Turkish Government fail to pay coupons on pre-war Turkish loans in sterling, when due, in that currency, it is quite impossible for them to escape the inevitably resultant loss of credit. Turkish

representatives should be made unmistakably to realise that probably such loss of credit would ultimately cost them more than sum produced by their action, in shape of the higher rates that will inevitably be demanded by investors in Turkish issues, if, indeed, such issues could be made at all. Turkey must consider her true interests in the matter.

Any action on the part of His Majesty's Government prejudicial to position of bondholders in regard to their unquestionable rights is impossible. His Majesty's Government have no power to take such action, and it is useless for Turks to attempt to obtain concessions as part of present negotiations.

Treasury, therefore, approve your attitude, and would assent to compromise you suggest if, as is understood, liberty of action of bondholders is in no way curtailed. They regard the issue as primarily one between bondholders and Turkish Government, and would have supposed that former would, in fact, recognise that in present state of Turkish finance some agreed concession on their part will ultimately be inevitable.

Your telegram No. 167 has been sent to Treasury, who will reply as soon as possible on any points not covered by above paragraphs.

No. 457.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 10.)

(No. 234.)
(Telegraphic.) R. *Athens, June 9, 1923.*

MY telegram No 213.

Prime Minister [? omitted: stated] in press last night that if signature of peace was to be long delayed by questions not interesting Greece, Greek Government had authorised Greek delegation at Lausanne, subject to approval of Powers, to sign peace preliminaries with Turkey.

(Repeated to Lausanne and Constantinople.)

No. 458.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 10.)

(No. 235.)
(Telegraphic.) R. *Athens, June 9, 1923.*

MY despatch No. 337.

I have received copy of protest addressed by Greek Government to Spanish Legation complaining that, notwithstanding agreement of 30th January, 1923, and delivery at Smyrna by Greeks in May of seven officers, 417 men and 245 hostages since discovered, Turkish authorities have so far only handed over in exchange two officers and twenty-five men and none of the invalids and sanitary staff they undertook to release, whilst lists of Greek prisoners still in Asia Minor have not yet been furnished by Turkish Government.

(Repeated to Constantinople.)

No. 459.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 10.)

(No. 173.)
(Telegraphic.) *Lausanne, June 9, 1923.*

YOUR telegram No. 73.

Instructions of French Government arrived this morning and those of Italian Government had already been received. They conform entirely to those given to me by your Lordship.

Turks are using every possible means of pressure to obtain concessions on this point. Ismet has interviewed Roumanian and Serbian delegates in order to ask them to intervene. Mr. Crewe had an interview with Ismet last night, and informed latter that if Turkey failed to fulfil terms of her pre-war loan contracts, her credit in United States would be gravely damaged. It seems clear that strong pressure

is being brought to bear on Ismet by his delegation, and he told Mr. Crewe that he was being crushed between a French and a Turkish wall.

According to information given me by General Pellé, Angora Government are purposely mutilating Colonel Mougin's telegrams to French Acting High Commissioner, Constantinople, so as to conceal the fact that Turkish authorities are stonewalling in negotiations with concessionnaires until they obtain satisfaction about debt question.

They have also begun to force safes of Crédit Lyonnais at Smyrna.

We are to meet Ismet to-morrow to discuss debt question, and I propose to make a formal and emphatic statement in accordance with instructions contained in your telegram No. 73.

No. 460

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 10.)

(No. 342.)
(Telegraphic.) *Constantinople, June 10, 1923.*

MY despatch No. 334.

Situation in respect of Patriarchate is developing.

Papa Eftim, "Orthodox Patriarch of Anatolia," probably at Turkish instigation, has addressed from Anatolia manifesto to Greek population approving action of malcontents.

Yesterday at church, where leader formerly officiated, when new officials were taking over, hooligans created further incident, at which Turkish police apparently connived. Two British police were present and tried to arrest Damianides, but had to transfer him to Turks, who are said to have since released him. Turks also arrested and have detained three of above-mentioned officials on charge of violation of domicile and causing disorder, Turkish idea apparently being to recognise Damianides as pre-war Church official, while refusing to recognise Patriarch or his acts.

Except possibly so far as Damianides, who seems to have resisted British police, is concerned, I see no grounds for diplomatic intervention here in this dispute between Ottoman Greeks. Question might, however, possibly be taken up with Ismet, with whom maintenance of Patriarchate was negotiated, inasmuch as such incidents might affect Greek policy at Lausanne.

I have counselled Patriarch to avoid any action calculated to provoke fresh incident.

(Sent to Lausanne, No. 162; repeated to Athens, No. 68.)

No. 461.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 174.) [By Bag.]
(Telegraphic.) *Lausanne, June 9, 1923.*

YOUR unnumbered telegram of 8th June.

Draft treaty provides for immediate return of enemy property in the territories of or under control of high contracting parties to owners on coming into force of treaty, coupled with a provision that the obligation to restore may be discharged by payment of proceeds of liquidation where property has been liquidated. If the liquidation has not been conducted in such conditions as to secure a fair price, the Mixed Arbitral Tribunal can award compensation. Turks will probably object to any scheme whereby in Egypt property is to be retained pending verification and payment of debts, and will no doubt ask that provision for compensation shall apply in Egypt as elsewhere.

Would there be any objection or difficulty in applying provisions of treaty summarised above to Egypt?

(Addressed to Cairo, No. 1; repeated to Foreign Office (by bag).)*

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* Will be printed in Egypt No. 1 (1924) as No. 72 of 8th June.

No. 462.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 175.) [By Bag.]
(Telegraphic.) *Lausanne, June 9, 1923.*

I DISCUSSED to-day with my French and Italian colleagues the course we should adopt as regards article 159 of the Allied draft treaty, which provides for the accession to certain parts of the treaty of Belgium, Portugal, Poland and Czechoslovakia. The Turks have so far refused to accept this article, but there seems to be a possibility that they might accept a formula, which the jurists have prepared, under which a protocol would be signed by the signatory Powers at the same time as the treaty, giving these four States or some of them, the right to accede to certain portions of the treaty, and a formal declaration would be made at the same time by representatives of these States, under which they would accede accordingly, subject to ratification. Note would be taken at the same time of this declaration by the signatory Powers, and thus the Turks would know on the day of signature which States were acceding, a point to which they attach importance. The Turks have reserved their opinion on this proposal until they know definitely to which portions of the treaty it is proposed to allow these Powers to accede, and the text of those portions. It is also uncertain whether in the event of their accepting this proposal, they would be prepared to agree that it should apply to all the four Powers, or only to Belgium and Portugal, whose position is different to the others, in that they were belligerent States, and their nationals and their goods were apparently treaty in Turkey as enemies and enemy property.

The Portuguese representative is being extremely insistent that Portugal should be allowed to sign the treaty in the same way as the other Allied Powers, on the ground that Portugal declared war on Turkey, which none of the other three did. It is certain that it is impossible to get the Turks to agree to this, as Portugal was not originally invited to the conference as an Allied Power, but I think that the above proposal, if accepted, would give Portugal as much satisfaction as she can reasonably expect.

At our meeting to-day, I proposed that we should endeavour to get the Turks to agree to allow all the four Powers to accede in the manner indicated above, but that if necessary we should agree to drop Poland and Czechoslovakia, if the Turks will accept the proposal as regards the other two. My colleagues are telegraphing for instructions on this point, and I should be glad to learn whether your Lordship agrees. Meanwhile, the experts will be requested to specify the provisions of the treaty to which it seems right that these Powers should be allowed to accede.

We would also propose to proceed on similar lines as regards the Commercial Convention and the "Establissement" Convention. The Allied text of these conventions contains an accession clause under which any non-signatory State can accede. This the Turks have consistently refused to accept, but it is possible that they might accept it if it was confined to the four Powers mentioned above, or alternatively to Belgium and to Portugal. There have already been indications that the Turks would allow Belgium to accede to the Commercial Convention, and if so, I should hope to obtain the same privilege, at any rate for Portugal. Poland is already negotiating direct with the Turks about the matters dealt with in these two conventions, and there seems no reason why Czechoslovakia should not do the same.

No. 463.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 10.)

(No. 176.)
(Telegraphic.) R. *Lausanne, June 10, 1923.*

QUESTION of Ottoman Debt was discussed at a private meeting with Ismet Pasha this morning. I made a declaration in the sense of instructions contained in your telegram No. 73, and added that, while I could not discuss any proposal to deprive bondholders of their existing rights in treaty or declaration, I was ready to consider any form of words which did not contravene this principle.

General Pellé made a statement in the same sense, and repeated proposal that Turkey should sign a declaration to Ottoman Debt Council recognising her existing obligations, and should send a separate communication to bondholders, taking note of their declaration of 23rd May, reaffirming her inability to pay in full at present, and asking for negotiations immediately after peace. Signor Montagna associated himself with us.

Ismet Pasha said that Turkey recognised her debt, but was unable to pay in full. If Allied Governments would agree to payment in francs, Turkey would agree to recognise her engagements as legally valid, but she would not confirm her engagements by proposed declaration in return for vague promise that bondholders would examine her financial situation and discuss modalities of payment after peace. Alternatively, Turkey would agree to have no declaration and to leave both sides of the matter to be discussed with bondholders.

Turkey, for the sake of her credit and reputation for good faith, would never undertake engagements which she could not carry out.

Long discussion followed. I think we convinced Ismet of our genuine desire to meet his point of view so far as our instructions and convictions allowed, but he maintained view that he would only sign declaration if payment in francs or a similar relief is definitely promised either by Governments or by bondholders before peace is signed.

Discussion was friendly and I think we made a little progress, but not much.

Discussion is to be resumed at meeting of experts this afternoon and at further private meeting with Ismet to-morrow afternoon. I propose to send a further telegram to-night.

[E 6094/6094/44] No. 464.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 12.)

(No. 329)
My Lord, *Constantinople, June 1, 1923.*

I RECEIVED a visit a few days ago from Mr. Maxwell Blake, who was for ten years, 1912-1922, in the American Agency at Tangier and transferred thence last year, with the rank of Minister, to Albania.

2. Mr. Blake told me that he was under orders to proceed to Angora, but that he found himself in a difficult position both from a personal and an official point of view. He had in the first place recently married, and though he intended in the first instance to proceed alone to Angora, he would refuse to stop there if he could not find suitable accommodation for his wife.

3. His second difficulty was his official status. He had throughout his career been on terms of close co-operation and friendship with his British colleagues. He was at a loss to understand and entirely disapproved of the different attitude adopted by the American High Commission in Constantinople in this respect. In those circumstances he was unwilling to proceed at all to Angora, unless it were as the representative of the United States Government and not of the American High Commission.

4. Mr. Blake made no attempt to conceal his poor opinion of Admiral Bristol and his staff. He spoke, in fact, with the utmost frankness, and in a manner which was somewhat embarrassing for myself.

5. He asked me whether I foresaw any difficulty in the way of his going to Angora as a semi-official representative of the State Department at Washington. I told him that the Angora Government had unofficial representatives at Paris and Rome, and that it seemed to me that it was merely a question of reciprocity. Mr. Blake said that his Government would raise no objection to an unofficial Turkish representative in Washington. He asked also whether I thought his residence at Angora could serve any useful purpose. I replied that I thought that there was certainly scope for good advice there.

6. Mr. Blake, in referring to the Chester Agreement, asserted that his Government had no intention of supporting any claims to which French or British companies had prior rights. He said that the only sound asset in the whole concern, in which he had little faith as at present constituted, was the name of General Goethals. He mentioned that he understood that some 40 per cent. of the capital behind the Chester group was Canadian. I told him that I had no information to confirm this report, which I was not inclined to credit.

7. Mr. Blake gave me the impression that he was in no hurry to proceed to Angora, and of being somewhat disgruntled by his reception here at the American High Commission. Though I disliked the manner in which he referred to his own colleagues, the friendly feelings towards Great Britain, to which he gave expression, were, I think, genuine. In this respect his presence at Angora may be decidedly useful.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

[E 6066/199/44] No. 465.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 333.)
My Lord, *Constantinople, June 6, 1923.*

WITH reference to my telegram No. 326 of the 31st ultimo, I have the honour to inform your Lordship that the Grand National Assembly was, as had been anticipated, unable to form a quorum on the 2nd instant, only some forty-five Deputies being actually present at Angora on that day. It was accordingly decided again to postpone the opening of the new session till the 30th June.

2. Although obituary notices have not so far been published, it appears probable that the old Assembly will not meet again. This seems to be the general view held by the Turkish press, one organ of which has alluded to the desirability of the Peace Treaty being discussed and ratified by the new Assembly, until the meeting of which its predecessor must theoretically remain in being. It is not unlikely, however, that the new Assembly may meet even before the election of all its members has been completed. In the course of an interview given by the President of the Assembly to the Angora correspondent of the "Vatan" on the 2nd instant, Ali Fouad Pasha stated that if on the 30th June there was a sufficiently large number of new Deputies in Angora to form a quorum, then the mandates of the present Deputies would be automatically annulled. If, on the other hand, the new Deputies were unable to form a quorum, while the old Deputies were in enough force to be able to do so, then the present Assembly would resume its functions. In the event of neither the old nor the new Deputies being able to form a quorum, then a further postponement would be decided upon.

3. Although the last appears at the moment to be the most likely contingency, it is probable that, if the treaty be signed at Lausanne, the Council of Ministers at Angora will find it desirable to secure an early meeting of the Assembly. In such an event the elections would be expedited in some localities to such an extent as would enable a quorum of new Deputies to be formed at any time, even though the elections in all constituencies, more especially in the eastern provinces, where the Kemalists are not likely to be so successful as elsewhere, might not be completed till some later date. The fact that the announcement of candidatures will only be made on the eve of the final elections, while no doubt due to other reasons as well, would seem to lend weight to this possibility.

4. This tendency to hasten the elections dates from about a week ago, and would appear to be the direct result of the progress made in the negotiations at Lausanne. In Constantinople itself, possibly owing to doubts regarding the final results, the delay seems to have been greatest, but even here the lists of electors have now been posted. Propaganda on behalf of the dominant party is in full swing, and the press is unanimously calling for the national unity which has been so much lost sight of in recent months and drawing attention to the manner in which internal dissensions have weakened the position of Ismet Pasha and strengthened that of the Allies at Lausanne. Capital is naturally made of the success which has attended the Kemalist efforts in the past, and it is interesting to note that, on the 2nd instant, the "Ileri" asked its readers to realise that, though the draft treaty did not satisfy all the Turkish aspirations, its terms must be accepted as the best which could at present be obtained. It likewise reminded them of the difference existing between these terms and those of the Treaty of Sèvres, which, but for the struggle of Mustafa Kemal and his followers, would have been imposed on the Turks.

5. The progress of the elections is more marked in Anatolia, where the second elections have in a few areas actually been completed, in each case with the choice of

Kemalist electors. There are indications, however, that, at least in some localities, these second elections have not been carried out without some difficulties, and in this connection particular significance attaches to reports which were published on two successive days regarding electoral events at Smyrna. In its issue of the 31st ultimo, the "Aksham" reported that the result of the Smyrna elections had been made doubtful by the acceptance by the Turkish delegation at Lausanne of the reparations settlement, which had strengthened the position of the Opposition, who appear to be open adherents of the Committee of Union and Progress. The sequel appeared the following day in the "Wakt," which stated that in one district near Smyrna the second elections had been declared null and void, as abuses were alleged to have taken place! From this it is evident that the Kemalist organisations intend to stop at nothing in order to secure the success of its candidates, and it is not improbable that action on similar lines will be taken in other constituencies in which there might appear to be any doubt in regard to the final result.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

[E 6067/52/44] No. 466.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 334.)
My Lord, *Constantinople, June 6, 1923.*

I HAD the honour in my telegram No. 332 of the 2nd instant, to inform your Lordship briefly of the facts regarding the demonstration made on the previous day at the Œcumenical Patriarchate, when a crowd of Greek hooligans estimated at between 100 and 200 strong demanded the instant resignation of Mgr. Meletios.

2. The ringleader of the movement appears to have been a certain Damiandides, a former church official in the Galata port area, who was recently dismissed by the Patriarch on account of certain irregularities in the administration of church funds there. The Galata port quarter is inhabited by some of the worst elements in Constantinople, and this individual had probably little difficulty in organising a band for the purpose. They arrived at the Patriarchate in groups so as not to attract the attention of the authorities, and then proceeded to force an entrance and to make known their desires in the manner related in the enclosed memorandum addressed by the Patriarchate to the Allied High Commissioners. It is worthy of note that Damiandides, a Greek himself, in demanding the resignation of the Patriarch, addressed the latter through an interpreter in Turkish, and in this way doubtless hoped further to secure the sympathy of the Turkish police.

3. Fortunately, the Patriarchate was able to maintain one line of telephonic communication, and on being informed of the position, the President of the Inter-Allied Police Commission sent a detachment of police who were able to restore order before the incident had taken a more serious turn. A considerable force of Turkish police was present throughout the proceedings in which, however, they took no part, unless, as has been alleged, to assist the demonstrators. They declared that their instructions were only to maintain order outside the Patriarchate, but it is interesting to remark that on the following day all the Turkish and, at least, one of the French local newspapers reported that the Turkish police alone had been responsible for the restoration of order.

4. There is evidence that the attitude to be adopted by the Turkish police had been decided before the incident actually took place, as Vehbi Bey, the acting director-general, has since announced that he was aware of the intentions of Damiandides and his followers. As the Patriarch was not, however, recognised by the Government, Vehbi Bey stated that the latter could merely confine itself to the maintenance of order in the public streets, differences within the community not being the concern of the Government. In pursuance of this ruling the Turkish police threatened the immediate arrest on the 3rd instant of some persons who were desirous of making a pro-Meletios demonstration outside the Patriarchate, though no measures were taken against the participators in the original incident whose hostile manifestations were confined to the Patriarchal precincts; such are official Turkish ideas regarding law and order.

5. As Adnan Bey's assistant called at the High Commission immediately after the receipt of the Patriarch's request for protection, I informed him that steps must immediately be taken for the adequate protection of the Patriarch and for the prevention of a repetition of the incident. Additional Turkish police have as a result been sent to the Phanar area, but in view of their attitude on Friday last and of the published statements of Vehbi Bey, it is not surprising that the Patriarch attaches little value to such protection.

6. At the same time I consulted with General Harington as to the measures to be taken by the Allies with a view to ensuring adequate protection for the Patriarch. The Patriarchate itself is within the French zone of control, and General Harington informs me that, in his opinion, General Charpy has taken all suitable precautions. In order, however, to show unity of action, General Harington has decided to establish in the vicinity of the Patriarchate an Allied post which will be in close touch with French headquarters and which can be quickly reinforced if required. Mgr. Meletios has expressed his warm appreciation of and complete satisfaction with these arrangements, which it is hoped will be thoroughly effective.

7. The three days' ultimatum given by the demonstrators has, in the meantime, expired, but no further incident has taken place. Damiandides has, however, as "President of the Committee of the Opponents of Meletios," presented to the Vali a memorial inviting the attention of the Government to the misdeeds of Mgr. Meletios, and requesting the national Government to nominate a suitable prelate for the Patriarchal throne. It is announced that Haidar Bey immediately telegraphed the substance of this petition to Angora.

8. This regrettable incident renders it necessary to consider the future of the present Patriarch. The intention of Mgr. Meletios to resign on the signature of peace and so facilitate that resumption of direct relations between the Patriarchate and the Turkish Government which is so desirable has been an open secret for some time, but he has announced that he will never do so under pressure from a small group of malcontents. It is certain, however, that his life will be in serious danger if he decides to remain here after the departure of the Allied troops. Although the Turkish authorities would be sufficiently astute not to show their hand in the matter, they would have no difficulty in inducing a rabble of Greeks to execute their decisions while the Turkish police peacefully maintained order in the street outside.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

Enclosure in No. 466.

Œcumenical Patriarch to Mr. Henderson.

LE Patriarcat œcuménique a l'honneur d'exposer au Haut-Commissariat de Sa Majesté britannique les tristes scènes qui se sont déroulées ce matin, 1er juin, au Patriarcat et qui démontrent clairement qu'aucune sécurité n'existe ni pour le Patriarcat ni pour la personne même du Patriarche.

Ce matin, une centaine d'individus, recrutés principalement dans la lie de la population de Galata, pénétrèrent dans le bâtiment du Patriarcat, forcèrent l'entrée de la salle du Conseil national mixte, expulsèrent de force les membres du Conseil et proclamèrent, par la bouche de leur chef Damiandides, au nom soi-disant du peuple orthodoxe de Constantinople, la dissolution des autorités patriarcales et la déchéance de sa Sainteté le Patriarche Mgr. Mélétios. Ils se répandirent ensuite dans les différents bureaux du Patriarchat, procédèrent à l'expulsion des employés, coupèrent trois des quatre fils téléphoniques et se livrèrent à toutes sortes de sévices. Ils essayèrent ensuite de forcer l'entrée de la salle où siégeait le Congrès panorthodoxe des représentants des diverses Églises orthodoxes. Le Patriarche leva la séance et se rendit à son bureau particulier, où les manifestants l'assiégèrent, en réclamant sa démission et en ne permettant qu'à ceux qu'il leur plaisait de pénétrer auprès de sa Sainteté.

Sur ces entrefaites, la police turque envoya un grand nombre d'agents, dont le chef, dès qu'ils pénétrèrent dans le Patriarcat, déclara qu'il n'avait pour mission que de prévenir, si possible, l'effusion du sang et que, pour le reste, il ne pouvait que laisser toute liberté aux manifestants. Ceux-ci recommencèrent de plus belle leurs vociférations et leurs sévices, expulsant qu'ils voulaient du local patriarcal. Dans le

bureau du Patriarche, où s'étaient également rendus plusieurs agents de la police turque sous le commandement d'un commissaire principal, se passa alors une scène tragique: Le chef des manifestants réclama en termes insultants sa démission au Patriarche, en lui donnant un délai de deux minutes pour s'exécuter. Sur le refus du Patriarche d'obtempérer à cette injonction, le misérable ordonna à ses acolytes de se saisir la personne du Patriarche et de l'amener dans la rue. Mais devant l'attitude imposante de sa Sainteté ceux-ci reculèrent et s'assemblèrent dans une pièce à côté pour se concerter entre eux. Dans l'intervalle, le commissaire en chef essaya de persuader le Patriarche de se rendre de lui-même pour quelques instants hors du Patriarcat afin que les manifestants eussent le temps de s'apaiser. Le Patriarche refusa catégoriquement de sortir et là-dessus les manifestants se ruèrent de nouveau dans le cabinet du Patriarche. L'un d'eux le saisit par le cou pour l'obliger à se lever, tandis qu'un des agents turcs le saisit par les jambes pour aider à le traîner hors du Patriarchat, et c'est ainsi que le Patriarche fut traîné à l'étage inférieur. Plusieurs des gens du Patriarchat qui cherchaient à protéger le Patriarche furent battus et trois d'entre eux furent conduits au poste.

Arrivé à l'étage inférieur, le Patriarche, par un effort, parvint à se dégager de l'étreinte de ses persécuteurs, mais ceux-ci le rattrapèrent aussitôt et l'entraînaient vers la sortie du Patriarchat, lorsque les gendarmes français, arrivés heureusement à temps, délivrèrent définitivement le Patriarche.

L'intervention des gendarmes français et italiens fit disperser les manifestants, qui s'en allèrent en criant qu'ils donnaient au Patriarche un délai de trois jours pour démissionner et que, sinon, ils avaient l'intention de recommencer. La police turque se retira également.

En portant ce qui précède à la connaissance du Haut-Commissariat de Sa Majesté britannique, le Patriarchat œcuménique a l'honneur d'attirer son attention sur le manque total de sécurité pour lui que ces faits révèlent. Du moment qu'une bande de quelques individus est autorisée, voire même encouragée par les autorités du pays, à se livrer à de pareils actes, il devient évident que des garanties spéciales devront être assurées au chef de l'orthodoxie pour sa sécurité personnelle et pour l'accomplissement de ses fonctions.

Le Patriarcat œcuménique espère que des mesures seront prises à cet effet, afin de faire cesser de pareilles scènes déplorables.

Constantinople, le 1er juin 1923.

E 6180/1482/44] No. 467.

Marquis della Torretta to the Marquess Curzon of Kedleston.—(Received June 11.)

(Translation.)

My Lord, *Italian Embassy, London, June* 9, 1923.

AS you are aware, Messrs. Schroeder's Bank at London has recently acquired the Bank of Zürich's holding in Oriental railways.

Your Lordship is without doubt also aware that Messrs. Schroeder have made known their desire to discuss with Italian and French groups a participation of these groups in the matter, and have fixed the basis of such Italian and French participation at the figure of 12½ per cent. for each of the two groups, reserving 52½ per cent. as the British share.

Moreover, the scheme communicated by Messrs. Schroeder to the Italian and French groups concedes to German interests the right of profiting from the reorganisation of the undertaking.

The Italian Government maintain that they cannot consider as satisfactory the proposals made by Messrs. Schroeder to the Italian group, because they do not assure to Italy and France a position of entire equality with respect to the Schroeder group.

Every negotiation, in fact, for the drawing up of treaties and conventions concerning Anatolia which has occurred since the armistice has had, in regard to Italy, the fundamental principle of equality in respect to the other Allies. The participation now offered by Messrs. Schroeder would involve the practical abrogation of the spirit and the letter of the treaties and agreements concluded to arrive at the position of absolute equality in the East.

The Italian and French Governments consequently see themselves on the point of being disappointed in their legitimate expectations.

In conveying the above to your Lordship's knowledge, I have the honour to request, in accordance with the instructions of my Government, that you will be so good as to employ all your influence with Messrs. Schroeder so that in further negotiations a share may be assured to the Italian group, and also to the French group, which amounts to complete equality with the British share.

Awaiting a reply, which I hope will be favourable, on this question, which is of special importance to the Italian Government.

I have, &c.
TORRETTA.

No. 468.

Sir A. Young to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 70.)

(Telegraphic.) *Belgrade, June* 10, 1923.

I UNDERSTAND that Ismet Pasha has been sounding Roumanian and Serb-Croat-Slovene delegates at Lausanne as to willingness of their Governments to sign separate peace, thus leaving him free to drag out negotiations with Great Powers.

In speech on foreign affairs made to Parliament on 8th June by Serb-Croat-Slovene Minister for Foreign Affairs, latter announced that this country would not sign Treaty of Lausanne unless with reserve already known to you; and in Minister's references to Turkey he seemed to anticipate quite near prospect of resumption of diplomatic relations.

As, however, his speech was marked by extraordinarily grateful and eulogising references to France, it would appear strange if he was contemplating separate action so distasteful to her.

(Sent to Lausanne.)

No. 469.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 177.)

(Telegraphic.) R. *Lausanne, June* 10, 1923.

MEETING between Ismet and financial experts lasted from 6 to 9·30. Allied experts first tried to convince Ismet that it is impossible to settle as part of peace negotiations that coupons shall be paid otherwise than in accordance with contracts. Ismet appeared convinced, and stated that position of Turkish Government is, "I recognise my debts, but cannot pay in full at present." After a lengthy discussion, a draft was suggested to the effect that financial situation of Turkey made it necessary for her to negotiate with her creditors with a view to a reduction in sums to be paid for service of loans. Ismet insisted that this should be incorporated in declaration drafted in February.

Experts said that their Governments would have to be again consulted on this. Ismet seemed on the point of agreeing, when he put forward demand that declaration should be more precise, and should state definitely that Turkey proposes to pay in francs or alternatively to pay one-third of sums due in sterling and default on the rest. Experts pointed out that in substance this was much the same as text proposed, since it is notorious that Turkey desires to pay in francs, but that in form this would amount to a declaration of bankruptcy. Ismet could hardly expect the Allies to make concession of dropping first paragraph of article 56 in return for such a document, and it would clearly be rejected at once by our Governments. Ismet insisted that declaration could only be signed if it contained an explicit statement of fact that Turkey intends to pay annuities equivalent to a payment in francs, *i.e.*, one-third of sterling sums due.

No agreement was reached, but the impression of experts was that Ismet and Hassan Bey would accept formula but for opposition of Riza Nour and Angora.

No. 470

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 178. Confidential.)
(Telegraphic.) *Lausanne, June 10, 1923.*

MY immediately preceding telegram.

We have now reached absurd position that a rupture on Ottoman Debt question seems possible, though matter now in dispute is only a question of words.

Your telegram No. 73 states view of Treasury on purely financial aspect of the question, but I have now reached a point when I must ask for definite instructions as to whether His Majesty's Government are prepared to face a rupture on this question. My impression is that British opinion would not tolerate rupture and attendant risk of renewal of hostilities in order to obtain a formula more satisfactory in appearance, though not in substance, than formula which Ismet would accept.

I therefore, think in the last resort we should either have no declaration at all, as proposed in my telegram No. 167, or else agree to best formula which we can obtain from Ismet.

Turn which events will take largely depends on council of war which is no doubt now being held at the Lausanne Palace, and I shall be able to gauge situation better after to-morrow afternoon's meeting at which we shall use lever of evacuation for all it is worth. But it is clearly possible that Turks are prepared to break on this point and I feel that I should lose no time in asking you for instructions as to attitude which I should assume upon this question in last resort.

I should add that I foresee that Turks will prove equally intractable on concessions question.

No. 471

Mr. Henderson (No. 69) to Mr. Bentinck (Athens).—(Repeated to Foreign Office; Received June 11.)

(No. 344.)
(Telegraphic.) *Constantinople, June 11, 1923.*

YOUR telegram No. 233 to Foreign Office.

Fact that incursions have taken place is substantiated both by attempt of Circassians to take refuge in British lines and by report from British vice-consul at Mitylene, dated 7th June, to the effect that small bands are still being despatched to mainland.

No. 472.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 179.)
(Telegraphic.) *Lausanne, June 11, 1923.*

CONSTANTINOPLE telegram No. 342

When maintenance of Patriarchate was discussed here during first phase of conference it was admitted we were defending institutions and not present incumbent, whose retirement in due course was foreseen to be inevitable. Action of Meletios in remaining at his post so long has done good rather than harm, but it necessarily entails personal risk to him which Allied authorities, even while in occupation of Constantinople, can merely reduce by such measures as have been taken. Action here would not increase efficacy of measures and would give us appearance of endeavouring (1) to maintain Meletios as Patriarch, and (2) to combat "Orthodox Turk" movement with which Turks obviously wish to associate move of Greek malcontents in Constantinople. This is undesirable, as Meletios will almost certainly have to disappear when we evacuate Constantinople, and Orthodox Turk movement had best be left to die of itself when future relations of Patriarchate under new head and Government are stabilised.

I propose therefore to refrain from any intervention here.

(Repeated to Constantinople and Athens.)

No. 473.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 180.)
(Telegraphic.) D. *Lausanne, June 11, 1923.*

MY French colleague has communicated to me a long telegram from his Government containing their instructions on all points still left outstanding.

French Government state that they cannot make any further concessions as regards exchange of options. I understand that they are not as yet prepared to drop their demand for declaration concerning decree of Muharrem. As regards question of concessions, French Government say that, as information from Angora with reference to negotiations with certain French companies is unsatisfactory, Turks must be made to accept principles such as recognition of pre-war concessions, indemnification of companies by means of readaptation of their concessions, and automatic prolongation of concessions by a period equal to length of war and armistice. This latter point will be difficult to obtain. No specific mention is made of cash indemnities for losses or damage suffered by concessionary companies. General Pellé is instructed to prepare necessary texts in connection with exchange of options and concession questions, and to present these texts for acceptance of Turkish delegation within a reasonable delay.

French Government agree to commence evacuation after ratification by Turkey of Peace Treaty and suggest that this evacuation should be completed within two months. They also agree that sections of treaty enumerated by you should come into force on ratification by Turkey, though it occurs to us that as regards Convention d'Etablissement this would presumably have to be done by a unilateral act on the part of Turkish Government, since it will be necessary for French Parliament to ratify Convention d'Etablissement. They demur to surrender of "Goeben" to Turks, because they point out that such a surrender will alter balance of naval power in eastern base of Mediterranean. But they add that if British delegation are prepared to surrender "Goeben," they will not make difficulties.

Finally, French accept your point of view as to expediency of giving Russians another chance of signing Straits Convention. Secretary-general of conference has therefore gone to Berne to-day to inform Swiss Government of above, in case that Government should object to possible arrival of a Soviet representative for the purpose of signing convention.

As some mention has been made in press of possibility of second adjournment of the conference, French Government instruct General Pellé to oppose such an idea by every means. "Temps" recently threw out this suggestion.

No. 474

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 11.)

(No. 181.)
(Telegraphic.) D *Lausanne, June 11, 1923.*

MY immediately preceding telegram.

I should be glad to learn, as soon as possible, whether His Majesty's Government would accept six weeks as period for evacuation, as suggested in my telegram No. 172. This suggestion was based, as you will remember, on definite recommendation by General Harington, who had consulted his Allied colleagues.

If so, you may think it desirable to ask French Government to modify their instructions to General Pellé, which, at present, contemplate two months as period

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No. 475.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 12.)

(No. 183.)
(Telegraphic.) *Lausanne, June 11, 1923.*

MY telegram No. 181.

My French colleague further states that French Government maintain their view that demobilisation of Turkish army should proceed concurrently with evacuation, and should be completed before the last Allied soldier leaves Turkish soil.

I feel that to put forward any such suggestion after we have agreed to abandon any claim to restrict military forces of Turkey and have not fixed Turkish peace effectives would arouse utmost resentment and suspicion, nor should we gain much unless we had power to control demobilisation, which is out of the question. I adhere strongly to view expressed in my telegram No. 155, in which my French and Italian colleagues concurred, and still concur, although I should, of course, not wish French delegate to be quoted against his own Government.

I would suggest that this question should be taken up with French Government, as I cannot get French delegate's instructions modified here.

No. 476.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 12.)

(No. 184.)
(Telegraphic.) *Lausanne, June 11, 1923.*

(R.) MY telegram No. 178.

Three Allied delegates without their experts discussed debt question with Ismet this afternoon. I had insisted on Riza Nour being present at discussion in order to emphasise fact that meeting was to be of a serious character, necessitating presence of both the principal Turkish delegates.

Great agitation prevailed amongst Turks before meeting, and Ismet had addressed a letter to Allied delegates informing them of his instructions on the subject of interest on debt and emphasising necessity of settling forthwith that payment of interest was to be in francs. Letter states that failing acceptance of this request, negotiations will prove sterile.

Discussion therefore turned on Turkish demand that second declaration, which it had been suggested should be addressed by Turks to bondholders, should declare that in future interest on debt should not be payable either in pounds sterling or in gold, but in francs. Allied delegates pointed out that their instructions did not allow of their accepting any declaration containing specific mention of currency in which debt was to be payable, and that their Governments were materially debarred from authorising in an official document any declaration which had effect of depriving bondholders of their full rights under loan contracts. My colleagues and I had the greatest difficulty in drumming this into the head of Ismet, who kept on repeating the same demand time after time. We also pointed out that even supposing our Governments authorised us to accept a formula which would have the effect of depriving bondholders of their full rights, a unilateral declaration on the part of Turkish Government that it intended in future to pay one-quarter or one-third of proper interest on debt would at once destroy Turkish credit. Such a declaration would, in fact, have most serious consequences for Turkey.

My French colleague then said that he wished to allude to one of the remaining outstanding questions, viz., evacuation of Constantinople and Turkish-occupied territory. He had reason to think that Allied Governments were sympathetically considering speedy evacuation of Constantinople after ratification of treaty by Turkey in accordance with what he believed to be Turkish desire. He reminded Turkish delegation that French public opinion had until recently been favourable to Turkey. This had facilitated conclusion of Angora Agreement at a moment when Turkish prospects were far from rosy. Angora Agreement had been of considerable advantage to Turkey, but recent attacks on France by Turkish press, combined with other incidents, had begun to alienate a considerable section of French public opinion. If Turks by an arbitrary act were now to announce their intention of despoiling bondholders, whole of public opinion in France would be turned against Turkey. It would then be at least doubtful whether treaty would be ratified by French Parliament, and French Government would have to ask itself whether French troops could evacuate Constantinople. Ismet immediately said that he had never imagined that Allies would use question of evacuation as an arm against Turks, but did not pursue the subject.

A long and wearisome discussion, followed, in which Riza Nour took part. Turks with painful reiteration suggested that formula containing a reservation as drafted by Allied delegates to the effect that financial position of Turkey did not permit of fulfilment of loan contracts did not go far enough. They insisted that it should definitely provide for payment of interest in francs or that there should

be no declaration at all, and that Turks should be left face to face with their creditors. As meeting after more than two hours' discussion was unable to record any progress, my colleagues and I requested Turks to telegraph to Angora that Allies were unable to contemplate mention of currency in second declaration. Ismet did not promise to comply with this request, but it is certain that he will not only telegraph what passed this afternoon, but emphasise connection which French delegate established between evacuation of Constantinople and settlement of debt question. (End of R.)

Demeanour of Turks reminded me of their demeanour on 4th February. We know their instructions regarding payment in francs are very strict, and my impression is that they will even risk breaking the conference on this question. The French seem equally determined not to yield, and it appears to me that question is now one for discussion between our Governments. Although I think French delegate was fully justified in connecting evacuation and debt questions, it is certain that Turks will use connection thus established in order to work up and divert feeling in Turkey where, according to all accounts, financial, political and economic situation is very bad.

It is for consideration whether it would not in practice be preferable to drop demand for a declaration which, qualified in manner which we suggest, will be of little use to bondholders, and leave Turkish Government to negotiate direct with bondholders. Turks will undoubtedly require a loan at a very early date, and bondholders would then have an opportunity of making as satisfactory conditions as are possible in the circumstances. Turkish attitude at present is that they openly declare their intention of defaulting on a large part of debt and wish us officially to recognise this intention.

We have arranged to discuss concessions to-morrow, but until debt question is settled, further progress is to all intents and purposes blocked.

No. 477

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 12.)

(No 186.)
(Telegraphic.) R *Lausanne, June 12, 1923.*

BELGRADE telegram of 10th June

Serbian delegate informed General Pellé and myself a few days ago that he was instructed not to sign treaty unless he could do so with a reserve excepting financial and economic questions, and stating that such questions ought to be settled in accordance with article 6 of Treaty of London, which provided for settlement of financial questions arising out of first Balkan war by an international commission. It will be remembered that Serbia refused to sign Treaty of Sèvres and would have refused to sign treaty here in February for the same reason.

Matter was referred by myself and my French and Italian colleagues to our legal experts, who have expressed opinion that article 6 of Treaty of London has no binding force to-day. This removes all legal basis for Serbian contention and will enable us to suggest that he should ask for fresh instructions from his Government.

(Repeated to Belgrade, No. 5.)

No. 478.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 12.)

(No. 345.)
(Telegraphic.) R. *Constantinople, June 12, 1923.*

REOUF BEY has issued to press declaration, of which following are chief points:

Turkey has reached limit of her sacrifices, and can on no account accept peace which does not give her complete independence. If there be rupture, it will have been brought about by those who have presented proposals calculated to entail economic and financial slavery of Turks. Conditions which are prejudicial to economic

independence tend ultimately to affect political independence. Turkish proposals have in no way been influenced by question of the Ruhr, and, if they are not accepted, responsibility will not be Turkey's.

Declaration contains *ex parte* statement respecting satisfactory conclusion of agreements with various concessionary companies. It concludes with statement that Angora Government, which has considered all eventualities, and has decided not to yield to unjustifiable pressure, is ready, if its proposals are not accepted, to make all sacrifices, financial and otherwise, which this decision may demand. Turkish people can only accept payment of interest in francs, as any other arrangement, from point of view of its national independence, would be impracticable.

(Sent to Lausanne, No. 164.)

No. 479.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 79.)
(Telegraphic.) R. *Foreign Office, June 12, 1923.*

YOUR telegram No. 179 of 11th June: Position of Patriarch Meletios.

I approve your proposal to refrain from any intervention at Lausanne.

(Repeated to Constantinople, No. 190.)

No. 480.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 13.)

(No. 187.)
(Telegraphic.) R. *Lausanne, June 12, 1923.*

MY telegrams Nos. 125 and 135.

M. Stancioff signalised his return here by using the opportunity afforded him, by request from secretary-general for the names of delegates who are to sign Thracian Frontiers Convention, to address further protest to conference about Dedeagatch. Protest signed by himself and M. Todorof states that Bulgarian Government will not sign this convention, because Turkey's obligations under convention are unilateral, while Bulgaria takes no engagement towards any other Power. This attitude logically follows from the fact that Bulgaria was not consulted when Western Thrace Treaty of 10th August, 1921 was drafted, nor has Bulgaria been asked to adhere to latter treaty. Facilities afforded Bulgaria by Turkey in new article in Thracian Frontiers Convention are of no real value as long as Bulgaria's free outlet on the Ægean is not definitely and practically established. Bulgarian delegates hold themselves, however, at the disposal of conference should further examination and discussion of application of article 48 of Treaty of Neuilly be resumed.

(Repeated to Sofia.)

No. 481.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 13.)

(No. 188.)
(Telegraphic.) *Lausanne, June 12, 1923.*

MY immediately preceding telegram

Additional article to Thracian Frontiers Convention (see my despatch No. 40) will come up for discussion at the next and final meeting of my committee. M. Stancioff will be present. Unless he is overridden by his Government in the meantime, I propose then to ask him how it is that Bulgarian delegate, who was given full opportunity to consider draft of this article and was present at meeting of experts, accepted it without criticism, subject to mere formal reaffirmation of Bulgaria's general protest. I will suggest that in view of apparent indifference of Bulgarian Government to transit rights over Karagatch section afforded to Bulgaria by Turkey, article can be modified to omit any mention of Bulgaria or

Bulgarian rights should Bulgarian Government prefer it. I will then point out the most important part of convention is concerned with demilitarised zones, and that Bulgaria there assumes obligations and obtains benefits. Bulgarian Government were represented at negotiations of that part of conference and accepted it during first phase of conference. Allied Governments cannot therefore accept Bulgarian Government's refusal to assume their share of responsibilities assumed by each of the three interested Balkan Powers in convention, and they must ask them to reconsider their attitude.

I shall be grateful if Mr. Erskine can be instructed to use latter argument with new Bulgarian Government, pointing out serious effect if new Government's first international act is such a repudiation of their responsibilities.

I understand that M. Todorof is unlikely to keep his post under the new Government; argument regarding his acceptance of Karagatch article should not therefore be used at Sofia.

(Repeated to Sofia.)

No. 482.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 14.)

(No. 189.) [By Bag.]
(Telegraphic.) *Lausanne, June 12, 1923.*

AT a private meeting with Ismet this morning, the question of concessions was again discussed.

M. Montagna explained that the position, the possibility of which had been foreseen in the correspondence which had preceded the second phase of the conference, had now arisen. We were approaching, he said, the time when it was hoped that a peace treaty would be signed shortly, but the negotiations with the concessionnaires had not been completed.

I gave in some detail a comparison of the position regarding these negotiations as represented by the Turkish delegation and the position as shown by the definite information which I had received from Mr. Henderson. I pointed out that the result was not encouraging, and showed the necessity of some provision being made in the treaty or in some document to be signed at the same time as the treaty for the recognition of certain principles which would regulate the outstanding negotiations at Angora.

General Pellé stated that many of the telegrams from the representatives of the French concessionnaires at Angora arrived in a mutilated condition, but his information showed clearly that no satisfactory progress was being made, and that the facts stated in the communiqué issued by the Turkish delegation were quite inaccurate.

Ismet replied that his information was to the effect that the negotiations were proceeding satisfactorily, but he recognised that there was a difference of opinion as to exactly what had happened. The view which his Government took was that if this matter were dealt with by the conference, their position in the negotiations with the concessionnaires would be prejudiced. As regards the principles proposed, there was no disagreement as regards the recognition of the principle of the maintenance of existing concessions, for the negotiations at Angora were being conducted in accordance with that principle. His Government could not agree to its extension to agreements when the contemplated concessions had not become definitive. The question of the readaptation of concessions to existing economic conditions was now being considered at Angora. His Government recognised this in practice, but they were not prepared to insert a provision to that effect in an international document. Nor were they prepared to undertake to pay compensation. As regards arbitration, they had every intention of proceeding expeditiously with the negotiations, and did not feel that anything would remain to be settled by arbitration.

General Pellé stated that it was necessary to have some impartial authority to decide, in the event of there being a disagreement.

Ismet said that there was usually a provision for arbitration in the concession itself, but we pointed out that this merely related to arbitration on a difference of opinion arising as to the construction of the concession, which was an entirely different matter.

In the course of a more detailed discussion, Ismet raised the point that any readaptation should be mutual, apparently having in mind that the Turkish Government should be able to adopt the position that, in existing economic conditions, they might not require to have works undertaken which were thought desirable before the war, and he again objected to the payment of compensation in any form. He also stated that he could not agree to any proposal for readaptation in a case such as the Bagdad Railway, where the undertaking was not controlled by Allied subjects before the war, but had been acquired recently.

With regard to the question of arbitration, a proposal was at one stage made by Hassan Bey that a general clause should be inserted providing generally for arbitration in the event of any dispute, without mentioning details, but Ismet stated that his instructions did not permit him to enter into any question of arbitration, nor, indeed, did his instructions permit him to deal here with the question of concessions at all. He would at once consult his Government.

It was ultimately agreed that the experts should meet this afternoon to discuss the matter further, and give any explanation necessary in order to avoid misunderstanding, but it was definitely stated by Ismet that the Turkish expert would have no power to agree to any settlement of the question, which is a matter on which he considers himself bound to obtain further instructions.

I stated that, as there seemed no prospect of any immediate conclusion of the negotiations at Angora, my instructions were to provide for the matter in the treaty.

General Pellé stated that his instructions were similar. Ismet stated that his instructions were that the matter was to be dealt with at Angora, that there were other matters, such as the debt and the evacuation, still outstanding, and that the moment had not yet arrived for the settlement of the concessions question.

No. 483

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 13.)

No. 190.)

(Telegraphic.) R. *Lausanne, June 13, 1923.*

MY telegrams Nos. 187 and 188.

In a further note, copy of which went by bag last night, M. Stanciof corrects his previous note and explains that Bulgaria is prepared to sign all articles of convention except new transit article. He does not explain how this is to be done, but in conversation with me he suggested that Allies might satisfy Bulgaria by signing protocol annexed to convention to the effect that nothing in it prejudices Bulgaria's right to free economic outlets on the Ægean Sea. Latter suggestion is not acceptable, but my legal adviser considers that if necessary Bulgarian desires on this point might be met if Bulgarian delegates, in announcing to secretary-general their intention of signing convention, explain that they do not regard their signature as in any way prejudicing Bulgaria's right to free economic access to Ægean Sea. Or if, alternatively, they simply announced when matter comes up in First Committee that their acceptance of new article is without prejudice to protests already made by them regarding more general question of free access claimed by Bulgaria. My colleagues agree. We consider second alternative preferable, but either would meet the case, and I shall take an early opportunity of suggesting one of these solutions to M. Stanciof. Latter told me he was in any case asking new Bulgarian Government for instructions regarding new transit article.

(Repeated to Sofia.)

No. 484

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

No. 80.)

(Telegraphic.) *Foreign Office, June 13, 1923.*

SITUATION at Lausanne seems to be reaching a point where in spite of the desire for peace, which is I believe shared by Turks as well as by Allies, negotiations threaten to come to a standstill owing to the opposing instructions of both sides and irreconcilable demands of their respective Governments. For your guidance I think

it desirable to set forth the views of His Majesty's Government on the position. They are as follows :—

1. *Evacuation.*—The Turks are asking us to agree to evacuate as soon as Angora shall have ratified the treaty. This would constitute so important a concession that it ought not to be lightly granted. Moreover, it furnishes us with our most powerful lever which we cannot relinquish merely from fear that the Turks might, as suggested in your telegram No. 185 of 12th June, start an anti-Allied agitation on the strength of our attitude. We ought not therefore to proceed with discussion of this question until we are satisfied that an acceptable peace in on eve of being concluded, and that presupposes a settlement of the important questions still outstanding, especially the debt, commercial concessions and Mosul. If failure to arrive at adequate settlement of these questions results in no peace treaty being signed, evacuation will have to be reconsidered, and Ismet should be made to realise this contingency.

2. *Debt.*—It is evident that the Turks, in refusing to confirm the decree of Muharrem and annuities without provision for payment in francs, are endeavouring to secure official Allied endorsement of their intended default. We cannot agree to sign away rights of bondholders, which indeed we have no legal power to do. The possible compromise of making in the treaty no provision or declaration regarding debt presents the advantage that if the Turks subsequently are driven to default, this can only have the effect of damaging their credit and so rendering it increasingly difficult for them to raise fresh loans. If on the other hand we agree at the eleventh hour to omit all reference to arrangements for meeting debt charges, this might be regarded as implicit surrender of bondholders' rights. As this matter is predominantly a French interest, we are prepared to be largely guided by French view and to support it. The fact, however, that relatively unimportant British interests are involved necessarily makes us reluctant to see peace negotiations finally break down on this particular point.

3. *Concessions.*—The Turks wish us to drop treaty provisions in consideration of assurance, which we have every reason to believe to be false, that private negotiations at Angora are proceeding satisfactorily. Unless we are assured by the British companies themselves that they have obtained satisfaction at Angora, we must insist on inclusion in the treaty of principles contained in your telegram No. 149 of 2nd June, although we do not desire to make extension of concessions for war and armistice period a condition *sine quâ non*, as French suggest (see your telegram No. 180), and are prepared, in cases where other conditions are satisfactory, to abandon monetary compensation.

4. *Mosul.*—We cannot sign any treaty which does not contain satisfactory provision on the lines of our formula, but with period allowed for settlement reduced if possible to six, or, failing that, to nine months.

(Repeated to Rome, No. 173, and Constantinople, No. 191.)

No. 485.

The Marquess Curzon of Kedleston to His Majesty's Representatives at Lausanne (No. 81) and Constantinople (No. 192).

(Telegraphic.) *Foreign Office, June 13, 1923*

WAR Office are anxious to withdraw from our occupying forces forthwith some 700 men who are, or will shortly be, due for discharge or for transfer home. View of Army Council is that such withdrawal will not reduce strength of our forces below numbers necessary to meet the present situation.

Before concurring in this proposal, I should be glad to receive your advice as to possibly adverse political effect which, having regard to the numbers involved, the diminution of our forces would be likely to produce both on the progress of the peace negotiations at Lausanne and on public opinion in Turkey generally.

Similar telegram has been addressed to Mr. Henderson (Sir H. Rumbold).

(Addressed to Lausanne, No. 81, and Constantinople, No. 192.)

No. 486.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 82.)
(Telegraphic.) *Foreign Office, June 13, 1923*

YOUR telegram No. 164 of 5th June: Compensation of concessionary companies for war damage.

Treasury and Board of Trade are of opinion that, failing satisfaction of the companies' claims, either by treaty provision or by the present negotiations at Angora, they could not be altogether excluded from participation in the reparation fund.

No. 487.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 83. Secret.)
(Telegraphic.) *Foreign Office, June 13, 1923*

THERE is reason to believe that Angora is supplying Ismet with false information about the progress of the negotiations with the concessionary companies, which are described as progressing much more favourably than appears in reality to be the case.

No. 488.

Sir H. Dering to the Marquess Curzon of Kedleston.—(Received June 14.)

(No. 80.)
(Telegraphic.) *Bucharest June 13, 1923.*

MINISTER for Foreign Affairs informs my French and Italian colleagues and myself that Djevad Bey declared to him that Angora Government could not give way as regards payment of Turkish coupons, and would prefer war to yielding, which would mean economic ruin.

He enquired what was view of Roumanian Government in the matter, and whether they would not intervene with Great Powers at Lausanne to support Turkish contention. Minister for Foreign Affairs replied that Roumania was interested mainly in establishment of peace, and that he hoped some way out of the difficulty could be found, as in other cases. There was no necessity for intervention as requested, for Roumanian delegate had already discussed the point with colleagues of Great Powers at Lausanne, and expressed to them hope of Roumanian Government that solution would be found.

M. Duca said that Djevad Bey began by asking him what would be attitude of Roumania in the event of renewal of conflict, but that he had cut him short, and declared that this eventuality on such inadequate grounds was unthinkable, and that he preferred not to discuss it. Turkish representative had evidently received instructions direct from Angora. Minister for Foreign Affairs does not attach great importance to his statements, but is inclined to think that probably real object was to ascertain Roumania's attitude in case of renewal of hostilities.

(Sent to Lausanne.)

No. 489.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 14.)

(No. 191.)
(Telegraphic.) *Lausanne, June 13, 1923.*

FOLLOWING is present position of work of conference:

Ottoman Debt Question.—Jurists have now produced form of declaration for signature by Turks recognising that stipulations contained in decree of Muharrem and annexed decrees, as well as all the other contracts and agreements relating to loans and advances concluded by former Ottoman Government, remain in force in so far as they are not modified by present treaty, except currency in which service of loans and advances is to be effected, this being a question which it is for Turkish

Government to settle with bondholders. In consequence of that being so, debt administration will be re-established in exercise of its rights, &c., at latest by 1st September, 1923. Jurists consider terms of this declaration in nowise curtail liberty of action of bondholders.

We have some reason for thinking Turks will accept this formula, which is to be discussed with Turkish legal adviser to-morrow. Meanwhile, Ismet yesterday sought mediation of Roumanian delegate, to whom he proposed despatch of a Turkish representative to Paris to have a further discussion with bondholders on basis, as I understand, of payment of coupons in sterling at an arbitrary rate of exchange, to be fixed by Turks themselves, in neighbourhood of 50 fr. to the £. The French delegate has informed his Government of this suggestion, but there is a danger that, unless great pressure is brought to bear on French bondholders to meet Turks at least half-way, negotiations might break down, and position would then be worse than it is now. There is also risk that Ismet may expect to reach an agreement in principle in Paris before signature of Peace Treaty and be proportionately disillusioned. State of mind of Turks might be gauged by fact that Ismet sent his secretary to station yesterday at an early hour to ask Mme. Gaulis, who is notoriously Turcophil, and who was returning to Paris, to implore French President and M. Poincaré "not to precipitate matters."

Concessions.—Allied experts have been working all day with Turks on a form of protocol and letter to be signed by latter embodying certain principles for application in the case of concessionary companies who have not concluded their negotiations at Angora by time treaty is signed. Demand for a cash indemnity for reparations has been dropped, but requirement of cash payments for utilisation of property or services remains. While Turks have stated that they have no authority to deal with this question, they show some disposition to endeavour to agree to a formula which they can recommend Angora to accept. Turkish representatives here [? have] recognised principle of maintenance of pre-war concession, settlement of accounts between concessionnaires and Turkish Government, and readaptation of terms of concessions to new economic conditions where concession had been operative before the war.

They at present maintain their objection to recognise concessions for completion of which certain formalities were still required at outbreak of war. They will agree to submission of disputes regarding accounts to arbitration, but will not at present agree regarding readaptation being submitted to arbitration in the event of a dispute.

Turks are prepared to get over difficulty which they have always raised as to any interference between Turkish Government and Turkish companies by insertion in protocol of provisions respecting concessions held by Allied subjects and signing a letter at time of signature of protocol undertaking to apply the same treatment to Turkish companies in which Allied capital was preponderant at outbreak of war. They may also be prepared to extend this system to certain named companies in which Allied capital is now preponderant owing to recent purchases of shares.

Evacuation.—We cannot usefully discuss this question until we know whether our Governments accept period of six weeks and until French Government [? group omitted] their condition as to demobilisation of Turkish army. It is most desirable that we should be in a position to discuss this question at the right moment.

We propose to treat outstanding questions as a whole, and insist on their being settled together. There is no reason why, if Turks accept formula we have now proposed regarding Ottoman Debt question, we should not be able to finish off remaining business in two days.

(Repeated to Constantinople.)

No. 490.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 14.)

(No. 192.)
(Telegraphic.) R. *Lausanne, June 13, 1923.*

YOUR telegram No. 48 and Athens telegram No. 234.

Following is summary of note by M. Veniselos to British, French and Italian delegates this afternoon:—

Unexpected prolongation of peace negotiations and recent rumours regarding probable adjournment of conference have greatly disturbed Greek public opinion.

Greece, mobilised for the past eight years, cannot support much longer burden of maintaining army of 200,000 men on war footing. She is compelled to think without delay of demobilisation and return to normal national life.

Contrary to expectation, pending questions between Allies and Turkey have not been solved. Present phase of discussions is unlikely to end this week, or even next. This prospect compels Greek Government and delegation to consider situation seriously. I urgently beg your support, therefore, with a view to signature of preliminary peace between Greece and Turkey, which would comprise essential clauses of draft treaty particularly concerning these two countries, and which, by restoring regular relations, would allow Greece to demobilise and proceed with reconstruction. As regards conditions of general peace, Greece would still endeavour to contribute thereto in agreement with Allies.

Negotiation of such preliminaries should hasten rather than prejudice conclusion of general peace.

Fact is that continuance of Greek mobilisation could have favourable influence on negotiations only if Turks feared that Powers might, in certain eventualities contemplate resumption of hostilities. As Angora knows perfectly well that Powers absolutely rule this out, institution of negotiations for signature of Græco-Turkish peace preliminaries could in no way affect the situation. On the contrary, they would tend to make Turks more conciliatory as regards acceptance of ensemble of treaty, as they would constitute proof that inviting Powers had decided to push matters to adjournment of conference rather than accept Turkish view on questions still in suspense.

Negotiations for signature of preliminaries cannot, moreover, be deferred, for if conference were adjourned in a few days' time Ismet would, in all probability, leave Lausanne immediately, and negotiations with subordinates would have no chance of success, so that most painful surprises might ensue.

I firmly hope for favourable answer to this request, urgency of which I need not emphasise.

Text will follow by bag to-morrow.

(Repeated to Athens and Constantinople.)

No. 491.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 14.)

(No. 348.)
(Telegraphic.) *Constantinople, June 14, 1923.*

YOUR telegram No. 192.

Men are not due to leave before 25th June, and I understand that General Officer Commanding-in-chief has asked War Office for their partial replacement, including draft of Irish Guards. If serious situation develops before then, men will not be allowed to leave.

They are time-expired men from all the various units here, and effect would not be the same as if a whole single battalion were withdrawn. In these circumstances, I do not think public opinion generally would be particularly influenced, though if situation does not improve before 25th June, early despatch of replacements may have politically desirable effect.

(Sent to Lausanne, No. 169.)

No. 492.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 14.)

(No. 193.)
(Telegraphic.) *Lausanne, June 14, 1923*

MY immediately preceding telegram.

M. Venizelos prepared me, in private conversation yesterday, for this *démarche* He spoke on lines developed in his note. I said I would discuss matter with my colleagues when he brought it forward officially. I disabused him of idea that rupture of conference was in sight or that inviting Powers had any intention of provoking adjournment.

Impatience of Greeks is comprehensible. From our point of view, however, and even from that of Greece, advantages of separate negotiations indicated in my telegram No. 95 now appear to me smaller, and disadvantages proportionately greater, than they did three weeks ago having regard to present state of general peace negotiations and probability that definite turning point in latter will be reached in very near future.

(Repeated to Constantinople and Athens.)

No. 493.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 14.)

(No. 194.)
(Telegraphic.) *Lausanne, June 14, 1923.*

YOUR telegram No. 81.

In my opinion effect of removal of these troops at present moment would be very unfortunate, not so much because of diminution of force (which is question for General Harington), as because of impression which would inevitably be produced that we were starting evacuation before treaty was signed. Result at this critical stage of conference might well be to encourage Turks and disconcert Allies. I would strongly urge that any decision should be postponed for at least ten days, by which time I hope we shall be able to see clearer ahead.

(Repeated to Constantinople.)

No. 494.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 85.)
(Telegraphic.) *Foreign Office, June 14, 1923.*

YOUR telegram No. 175 of 9th June: Accession of smaller allies to parts of settlement with Turkey.

Subject to satisfaction on major questions dealt with in separate telegrams, His Majesty's Government would be prepared in last resort to agree to your proposals.

No. 495

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 15.)

(No. 349.)
(Telegraphic.) *Constantinople, June 15, 1923.*

RELIABLE information has been received that Refet Pasha has concentrated twenty-four mountain and two field guns at Silivri, and has asked for ships to retransfer them to Anatolia whence they had been brought in defiance of Mudros Convention.

At a meeting between General Harington, Admiral Brock and myself this morning, it was agreed that it would be desirable to seize these guns, if possible, whilst in transit on the sea, thereby securing definite proof of Turkish breach of Mudros Convention.

Steps will therefore be taken to effect arrest at sea of vessels carrying these guns, provided sufficient accurate information can be obtained to warrant reasonable certain chance of success.

No. 496.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 86.)
(Telegraphic.) *Foreign Office, June 15, 1923.*

YOUR telegram No. 164 of 5th June: Claims of concessionary companies.

Board of Trade and Treasury take view, which I share, that if companies fail to obtain satisfaction at Angora, they could not in fairness be excluded from participation in 5,000,000*l.*, and that it would be desirable to agree with Allies as soon as possible how this participation should be provided for. Two methods appear possible: (i) A proportion of the total 5 million could be set aside for all the companies and apportioned by an inter-Allied board; (ii) the 5 million could be divided among the Allies according to the present scheme, and each Ally could then set aside a portion of its own share for those companies in which its nationals formed a majority of the shareholders. The obvious objection to the second alternative is that the companies could not receive equal treatment from all the Allies.

No. 497.

The Marquess Curzon of Kedleston to the Marquess of Crewe (Paris).

(No. 257.) [By Bag.]
(Telegraphic.) *Foreign Office, June 15, 1923.*

SIR H. RUMBOLD'S telegram No. 155 of 4th June: Allied evacuation of Constantinople, &c., and proposed demobilisation of Turkish army.

Sir H. Rumbold learns from his French colleague that the French Government hold that demobilisation of Turkish army should commence concurrently, and be terminated simultaneously, with Allied evacuation.

Please point out to French Government that to put forward any such suggestion after we have agreed to abandon any claim to limit Turkish military forces on either peace or war basis would arouse utmost suspicion and resentment, and we should in any case have no power to control demobilisation on various fronts, even by establishing commissions of control, which Turks would not accept.

In the circumstances His Majesty's Government trust that French Government will modify instructions issued to General Pellé, and also authorise him to agree in principle to reduction of evacuation period to six weeks, starting from date of ratification by Angora, as recommended by Allied generals at Constantinople.

This will not prejudge question as to moment at which and *quid pro quo* for which the proposed concession shall be made.

(Repeated to Rome, No. 175; Lausanne, No. 87; and Constantinople, No. 196, in cypher D.)

No. 498.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 16.)

(No. 195.) [By Bag.
(Telegraphic.) *Lausanne, June 14, 1923.*

YOUR telegram No. 80 and my telegram No. 191.

The question of the interest on the debt has continued to stand in the way of all progress to-day. This morning I communicated to my French and Italian colleagues the substance of your telegram No. 80. They agreed that it would be useful if, concurrently with the discussion between jurists of the latest formula (summarised in my telegram No. 191), I saw Ismet Pasha and impressed on him the seriousness of the situation and the necessity of finding a solution for the very small number of questions which now remain outstanding.

I called on Ismet Pasha late this afternoon. He had himself visited General Pellé at an earlier hour, and I again saw the latter before going on to Ismet. General Pellé told me that he had received very uncompromising instructions from his Government. They related to the formula evolved on 10th June (see first paragraph of my telegram No. 177), and they ruled out any use of the word

"reduction" in connection with the future settlement of the interest question. The French Government said they were willing that the Turkish reservation regarding interest should form part of the declaration maintaining the decree of Muharrem, but they indicated, in a precise formula of their own, the utmost which they were willing to see embodied in the reservation. General Pellé did not give me a copy of this formula, but it was one which the Turks would certainly not accept. General Pellé himself took this view of it, and practically said that he would beg his Government to discard it in favour of the jurists' formula of yesterday.

The instructions of the French Government also ruled out any idea of the French Government bringing pressure to bear on the French bondholders to come to an immediate agreement with the Turks. The bondholders, they said, would not consent to negotiate until after peace had been signed and the French Government would not seek to make them depart from this attitude.

General Pellé had found Ismet most intractable. The Pasha quoted new instructions from Angora to the effect that he must make no declaration unless it were agreed that the interest would henceforward be paid in francs or, alternatively, that the validity of the declaration would be dependent on a satisfactory settlement between the Turkish Government and the bondholders. General Pellé had rejected both suggestions, as well as a renewed suggestion for immediate negotiations direct with the bondholders. He asked me not to tell Ismet that the latter had informed him of the new instructions from Angora, as the Pasha had given the information in the form of a personal communication.

I agreed with General Pellé that, in view of his instructions from the French Government, I should not represent the jurists' formula as a firm proposal of the Allies, but rather as an attempt at something which, if agreed to by the Turks, might perhaps satisfy the Allied Governments. At the same time, I again made it clear to General Pellé that he could not expect His Majesty's Government to support the French in an attitude so intransigent as that manifested in the latest instructions from Paris. He quite saw this.

My conversation with General Pellé prepared me to find Ismet extremely difficult regarding the debt question. He surpassed my worst expectations. I began by saying that your Lordship had been taking stock of the situation here and was disquieted by the deadlock which had apparently been reached. I spoke to him of the various questions enumerated in your telegram No. 80 on the general lines laid down therein. He endeavoured to twist what I said about evacuation into an assurance that the Turkish proposal on that subject would be accepted if the other outstanding questions were settled. I declined to commit myself so far, but said that once these other questions were out of the way, the evacuation question could be settled by a very short discussion. On the other hand, if no settlement were arrived at on those questions, that of the continued occupation of Constantinople would present itself in a very different aspect. To this he replied that we were here to make peace, and that if peace were not made, both sides would naturally be where they were before.

He had little to say about concessions or Mosul, beyond intimating in general terms that the latter question would be settled on the nine months' basis when it came to final arrangements. The bulk of a very lengthy discussion turned on the debt. Ismet claimed to have explored every avenue and made every advance, only to find the way always blocked by Allied obstruction. He concentrated on his latest solution, namely, that the validity of the declaration to the bondholders should be made dependent on the settlement of the interest question with the bondholders. I said that this provided no solution. I pointed out the illogicality or worse of saying in effect to the bondholders: "You have rights of various kinds under the decree of Mouharrem. Come to terms about the currency, in which interest is to be paid, and we will respect all those rights. If you do not come to terms we reserve the faculty of disregarding all those rights." This, I argued, was to connect two different things which we, on our side, wished to keep apart, because, on the one hand, the rights of the bondholders as regards the maintenance of the Public Debt Administration and the management of the ceded revenues must be maintained and needed to be affirmed all the more as they had been so freely disregarded by the Angora Government of late; while, on the other hand, we recognised that the financial state of Turkey made it reasonable that the interest question should be discussed with the only people qualified to discuss it, namely, the bondholders themselves. The jurists' formula marked this distinction. It was so far from true that Allied obstruction was responsible for the deadlock that I myself in allowing the jurists' formula to

discussed was going to lengths which might not obtain the approval of His Majesty's Government.

Ismet Pasha contended that if the bondholders got their declaration before the question of the currency for payment was settled, they would consent to no abatement of their rights. They would stick out for their sterling pound of flesh, and the whole of Turkey's economic future would be endangered. I told him that such fears were grossly exaggerated. The bondholders would have every inducement to come to terms if only because no one was in a stronger position as regards money payments than an impoverished debtor. I did not mince matters. I quoted the leading article in yesterday's "Times." We were reproached, I said, with allowing the proceedings here to be spun out at the expense of our interests and dignity and we were being told that it would be better to break off once again rather than go on as we were doing now. It was not, I was careful to add, the desire of His Majesty's Government to precipitate a rupture, but the present situation could not last indefinitely, and what the "Times" thought yesterday, His Majesty's Government might be compelled to think in the near future. I could imagine nothing more fatal to the future of Turkey than a failure to conclude peace owing to disagreement on a question like the present.

Ismet was dejected, but obstinate to the end. He tried to make out that if there were a rupture Turkey would have a clear conscience and a good case before the world. The only satisfactory features of a peculiarly disheartening conversation were that he seemed to have no desire to force matters to a rupture himself, and that he sounded as though, if the Debt question were settled, an arrangement could be come to about concessions. He obviously feels that he is between the devil and the deep sea. He professes to regard his instruction from Angora as absolutely final. I have no doubt he will report to-day's proceedings, but he probably thinks that if he cannot get what Angora wants he is done for. I particularly asked him to bring Mustapha Kemal round, as I believe half the trouble to be due to that personage's personal fanaticism over this question and his desire to put it in the forefront of the elections whichever way it goes.

The above conversations had their reflection in the proceedings of the jurists. In the morning Munir Bey was prepared to discuss variants on the jurists' formula of yesterday. In the afternoon, having had a short interview with Ismet, he was all for a declaration to the bondholders, the validity of which would be conditional on an agreement regarding the interest on the loans.

No. 499.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 16.)

(No. 196.)
(Telegraphic.) D. *Lausanne, June 15, 1923.*

ITALIAN delegate informs me that Ismet called on him this evening and gave him to understand that he might accept formula regarding declaration to be made to Debt Council which had been drawn up by jurists. This formula is given in my immediately following telegram.

Ismet said, however, that in order to strengthen his hand with his own Government he wished to be in a position to telegraph to them conditions of evacuation of Constantinople and occupied Turkish territory. He added that there would be no difficulty about concession question.

Italian delegate replied that he could not give Ismet the details about evacuation which he had asked for, but that I might possibly be able to supply these. Ismet thereupon asked Italian delegate to inform me of what he had said. Italian delegate pointed out that jurists' formula went beyond anything hitherto contemplated by Allied Governments, whose consent it would be necessary to obtain. This would in any case entail a delay of two or three days. Ismet expressed disappointment and added that once debt question was out of the way remaining questions could be settled in one day.

I pointed out to Signor Montagna that I could not meet Ismet's wish for two reasons. In the first place my instructions, which I had communicated to him, laid down that evacuation question was only to be discussed after we had obtained a satisfactory settlement of outstanding questions, and more particularly of debt concessions and Mosul questions. Secondly, we should anyhow be hampered in

discussion of evacuation question until French had dropped condition regarding simultaneous demobilisation of Turkish army. It is urgent that French Government should be got to drop this impracticable condition.

I also said that even if British and Italian Governments accepted formula we might have great difficulty in getting French Government to accept it. But I promised to explore the matter further, and I shall endeavour to arrange for Ismet to come to see me to-morrow.

My colleagues and I had taken stock of situation in the afternoon. At present, deadlock is complete, and none of the sub-committees have any work to do. We feel this situation cannot be allowed to continue, as it is as undignified as it is useless. I told my colleagues that in my considered opinion account must be taken of following two considerations:—

(*a.*) That Turkish delegation were no longer in a position to persuade their Government to accept solution of any question on its merit. Since settlement of Graeco-Turkish reparation question, Turkish delegates had lost credit with their Government and were afraid of their own necks. Consequently we were unable to act on Turkish Government through their delegation here.

(*b.*) Although situation in Turkey was bad from every point of view, I did not think, in the event of a rupture over debt question, Turkish Government would be deterred from resuming hostilities. They were worked up to the point of fanaticism about this question.

Both my colleagues subscribed to first appreciation, but French delegate was by no means convinced that Turkish Government might go to war again. He had previously reported to his Government that if Allies showed a firm front Turks would give way over debt and concession questions. I recommended that we should continue to endeavour to find a formula which would be acceptable to us and Turks. If we failed to do so within next twenty-four hours, it seemed to me that we ought to report our failure to our Governments and ask for instructions whether to propose compromise of making no provision in treaty or declaration regarding debt, or to summon Turks within a specified period to agree to our proposals and texts regarding sanctions questions, including debt and concessions.

I impressed on French delegate that my Government would be reluctant to see a rupture of conference on question of debt, with all the possible consequences of such a rupture, and I asked him, point blank, whether, if positions were reversed, French Parliament would be willing to see France engaged in hostilities on account of British bondholders. His embarrassed silence was a sufficient answer. French delegate's instructions are so categorical that he is in a difficult position, and it is evident that, even if Turks accept jurists' formula or it is decided to fall back on compromise of making no provision in treaty or declaration regarding debt, considerable pressure will have to be applied to French Government.

As it is mainly due to strong support given by me yesterday to French that Turks now seem disposed to yield to extent of accepting jurists' formula, I feel French cannot be too strongly urged to accept latest solution. They will certainly get nothing better, and matter has become one of extreme urgency.

No. 500.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 16.)

(No. 197.)
(Telegraphic.) R. *Lausanne, June 15, 1923.*

MY immediately preceding telegram.

Following is summary of latest version of jurists' formula for declaration to be made by Turkish delegation regarding Public Debt:

Undersigned, duly authorised by Turkish Government, declares that all cessions, &c., provided for in decree of Muharrem and annexed decrees, and in other agreements relative to Turkish loans and advances shall remain in force in so far as they are not modified by Peace Treaty, except as regards currency in which service of loans and advances shall be effected which will fall to be settled between Turkish Government and bondholders.

'Consequently, and subject to observance of such settlement, Public Debt Administration shall by 1st September, 1923, at the latest, be restored to full

exercise of rights and functions in accordance with said decrees and agreements. Pending such settlement, Administration shall not perform any operation calculated to prejudice eventual execution thereof in favour of either of the Governments or bondholders. (Agreement shall be come to between Turkish Government and Debt Council as to proportion of revenues collected by latter, which shall be paid over to Turkish Government provisionally, subject to subsequent settlement of accounts.)"

Words in brackets represent addition suggested this morning but not yet reduced to precise form in order to overcome anxiety of Turks lest, failing settlement by 1st September, large amounts should be immobilised in hands of Public Debt Council, though they might not be necessary for service of loan on terms eventually agreed. I see no objection to this addition, and Ismet will probably consider it as forming integral portion of formula for the purpose of getting it accepted by Angora.

No. 501.

Mr. Bentinck to the Marquess Curzon of Kedleston.—(Received June 16.)

(No. 241.)
(Telegraphic.) *Athens, June 16, 1923*

LAUSANNE telegrams Nos. 192 and 193.

Press continues to agitate for decision at Lausanne with a view to demobilisation of Greek army. It is argued that Greek army cannot continued mobilised merely to enable French to bargain over their coupons, which in no way concern Greece (see my telegram No. 234).

Although danger of a collapse of Greek army similar to that which occurred in Asia Minor last August does not appear to be imminent, it would, in my opinion, be unwise to assume that it is impossible. If such a collapse were to occur, unprecedented by at least a partial Turkish demobilisation, it is to be feared that attitude of Turkey *vis-à-vis* Allies would be stiffened (compare last two paragraphs of my telegram No. 213).

(Sent to Lausanne, No. 108, and Constantinople, No. 130.)

No. 502.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 16.)

(No. 350.)
(Telegraphic.) R. *Constantinople, June 16, 1923.*

MY telegram No. 168 to Lausanne.

Armstrong-Vickers's representatives have returned here profoundly discontented with result of discussions at Angora. Final decision of Council of Ministers was that old contracts having been invalidated could not be recognised even as basis for negotiations, but that if companies put forward new proposals they would be considered.

Ostorog is leaving as soon as possible to report to board in London.

(Sent to Lausanne, No. 170.)

No. 503.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 89. Secret.)
(Telegraphic.) *Foreign Office, June 16, 1923.*

IN Angora telegrams to Ismet, it is continually emphasised that negotiations with companies will succeed if latter entertain no hopes of intervention at Lausanne.

You might take an opportunity of making Ismet realise that companies have always been aware of what we told Turks themselves in our identic notes of 28th March, namely, that, failing satisfaction being attained in private negotiations at Lausanne, Allied Governments would insist on insertion of guarantees in the treaty.

No. 504.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 18.)

(No. 199.) [By Bag.]
(Telegraphic.) *Lausanne, June 16, 1923.*

YOUR telegram No. 86.

It is proposed that the 5,000,000*l.* and the proceeds of the Turkish Treasury bills, 1911, which will constitute the Turkish Reparation Fund shall be distributed by an Inter-Allied Commission to all Allied claimants in proportion to their claims as assessed by the commission. The provisional draft of an inter-Allied agreement to give effect to this proposal was sent to the Foreign Office, Board of Trade and Treasury semi-officially by Thursday's bag. The tentative proposal to allot an arbitrary percentage of the Reparation Fund to the various Governments has been abandoned by common consent as impracticable, since the amount of damage in the case of French and Italian claimants is an unknown factor.

In these circumstances, and especially in view of the complete uncertainty as to amount of the claims which the French companies are entitled to put forward, I consider that it would not be possible to adopt either of the methods suggested in your telegram.

I think that the best method of dealing with the problem will be to allow the companies' claims to rank *pari passu* with individual claims, but to exclude any part of the companies' claims for which the Turkish Government recognises liability. This would leave little besides claims for damage to property by shell-fire, &c., in the war zones to be met from the Reparation Fund, the chief claimant being the Smyrna-Cassaba and Smyrna-Aidin Railways, and would probably not swamp the fund to such an extent as to render it completely useless to private claimants.

No. 505.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 17.)

(No. 200.)
(Telegraphic.) *Lausanne, June 16, 1923.*

(R.) MY telegram No. 196.

Ismet came to-day. He began by asking me how we were to escape present deadlock. I said that it was for him to find a way out. After some preliminary beating about the bush we then got to business.

He said that two formulæ were before us, viz., Allied formula and his formula subordinating recognition of decree of Muharrem, &c., to any arrangement come to between Turkish Government and bondholders. If experts could find a half-way house between the two formulæ, and if I were able to state more precisely conditions in which evacuation of Constantinople and occupied Turkish territory would be carried out, a better atmosphere would be created, and we might solve present difficulties.

I at once said that we must avoid all misunderstanding. In the first place, his formula was totally inacceptable. In second place, what he called "Allied" formula was in reality a formula which had originally been drafted by jurists without the knowledge of Allied delegates and went a good deal [? omitted : beyond] instructions of latter. All I had done was to indicate this formula to him as a possible means of escaping from present deadlock, but I could not even say whether Allied Governments would accept it. I repeated what I had already told him, that, subject to a satisfactory settlement of outstanding questions, evacuation question would not give rise to any difficulties. He did not insist on this matter, but proceeded to discuss second part of formula

I then sent for Mr. Waley, and an amicable discussion of a technical character followed. Ismet seemed to be mainly concerned with two points, viz., that Council of Debt should not blockade all revenues, but that Turkish Government should be able to receive a considerable portion of those revenues in order to meet their pressing necessities and, secondly, that date, 21st September of this year, suggested for reinstatement of administration of debt in all its functions was too near. We explained that first point was already intended to be covered by words added

yesterday to end of formula. It was finally agreed that formula should be re-examined by jurists and given to Ismet in its final form to-morrow morning.

I derived impression that with alterations to meet these two points formula will be acceptable to him. I arranged to have another conversation with him to-morrow after he had considered formula in its final form. I made it clear that our Governments were not bound by formula. (End of R.)

I am equally clear that we must now stick to principle of formula, and that a proposal to leave all mention of decree of Muharrem out of treaty or declaration would arouse Ismet's suspicions, although it is one of the three alternatives he originally put forward himself. Another consideration is that we should certainly lose more prestige by proposing omission of all reference to decree of Muharrem in treaty or declaration.

I have informed my colleagues of foregoing.

No. 506.

Mr. Erskine (No. 5.) *to Sir H. Rumbold.*—(*Repeated to Foreign Office; Received June* 17.)

(No. 49.)
(Telegraphic.) R

Sofia, June 17, 1923.

M. MORFOF has been appointed Bulgarian delegate to Lausanne Conference, and is proceeding at once. He was technical member of [? delegation] to first conference.

[E 6312/5286/44]

No. 507.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received June* 18.)

(No. 347.)
My Lord,

Constantinople, June 13, 1923.

I HAVE the honour to inform your Lordship that Comrade Souritz, the newly appointed Soviet Ambassador to Angora, has been spending the last week in Constantinople, and left on the 10th instant to take up his post, which has been vacant since the recall of Arabol some two months ago.

2. Little is known about Souritz except that during the past three years he has occupied several important posts in the Commissariat for Foreign Affairs, and has latterly been trade representative at Christiania. He was originally appointed to China, but did not proceed owing to his nomination to Angora.

3. Souritz has taken the opportunity of his stay here to accord a series of interviews, which have received a large measure of publicity. In the course of these declarations he has been at great pains to demonstrate the community of Russian and Turkish interests, and to belittle the difficulties which have recently threatened to render Russo-Turkish relations somewhat strained. Indeed, he went so far as to say that he only became aware of these differences after his arrival in Constantinople, a statement which even the most gullible Turk must have found extremely difficult to swallow. His language regarding the Russian exiles at present in Constantinople was on the whole conciliatory, being to the effect that on the signature of peace the Soviet Government would grant a general amnesty to such exiles as returned within a certain fixed period, after which they would be no longer regarded as Russian nationals. As regards Anglo-Russian relations, Comrade Souritz was absolutely reticent, and though repeated efforts were made to draw him he contented himself with saying that the Soviet point of view was completely explained in the latest note to the Foreign Office.

4. According to another statement, the chief object of the new Ambassador's mission is the conclusion of a commercial and consular convention which would be to the mutual advantage of both countries. It remains to be seen whether his efforts in this connection will meet with greater success than did those of his predecessor. At the time of Aralof's recall Russo-Turkish relations had already been affected by the rift

which had first become apparent when the Turkish delegation at Lausanne refused to identify itself with the Russian scheme for the settlement of the Straits question. The interval has only served to widen the breach thus created. Minor incidents have become of common occurrence, and the Turkish official world has not been averse from declaring its dislike of Soviet methods and ideas. One of these minor incidents arose some weeks ago out of the refusal of the Soviet authorities to allow the Turkish steamship "Gul Djemal" to disembark cargo at Batoum, a step which was followed by a similar prohibition against Russian ships visiting Turkish ports. This mutual prohibition is still continued, and its removal will doubless be one of Souritz's first objects after his arrival at Angora.

5. It is in the realm of propaganda, however, that the situation has become most difficult. When the Nationalist Government was struggling for existence and ready even "to grasp at a serpent," Angora was compelled to accept or to profess to accept some at least of the Soviet ideas. Following on the reoccupation of Smyrna, the removal of the Constantinople Government and the summoning of delegates of the Angora Government to meet those of the Allies at Lausanne, the Turkish attitude of subservience to Moscow gave place, however, to one of greater independence. Citizens of the Soviet Republic entering Anatolia became subject to the same regulations as other foreigners, and an extensive Turkish propaganda campaign was launched in the Caucasus, which was answered by considerable Russian military concentrations there. These in turn were followed by wide Communist activities in Anatolia, which, though not favourable ground, caused the Turkish Government a certain disquiet. Repressive measures were commenced, and during the last two months numerous arrests and trials of Communist agents have been reported. These measures are stated to have been the subject of repeated Soviet protests to the Angora Government. The Communist propaganda, however, continues, and the Turkish press has recently published a report that information has reached the Angora Government of the decision of the Soviet Government to expend a further sum of 100,000 gold roubles in Anatolia in this connection.

6. Nor have these Communist activities been confined to Anatolia. In Constantinople, as your Lordship is aware, Russia has for some time had a trade delegation as well as a branch of the Russian diplomatic mission at Angora, for both of which she has so far been unable to obtain complete recognition. Both establishments are, of course, centres of Bolshevik intrigue, which was carried to such a point that about a month ago the Turkish police arrested in Constantinople some twenty Communists, principally Turks. These were duly brought to trial under the recent treason law passed by the Grand National Assembly of Turkey, but were released on its being established that, owing to the failure to give it the necessary publicity, the law was not valid in Constantinople. Steps have now been taken to remedy this defect, but I have so far been unable to ascertain whether or not the discovery of the legal quibble was the result of strong Russian pressure at Angora.

7. It would seem, therefore, that the task of Souritz in placating the Angora authorities and bringing Russo-Turkish relations back to a state of mutual friendship will not be easy. He will have the assistance as military attaché of Troitsky, an ex-general of the Russian army, who commanded an infantry brigade during the war. The appointment of an officer of such high rank to what can only be an inferior post has doubtless been made as a sop to Turkish susceptibilities and as a means of strengthening the position of the Soviet representative at Angora. It also appears to show that Soviet Russia still attaches no little importance to her relations with Turkey, though it is too early yet to state whether her policy will be one of peaceful penetration or of threats backed by military concentrations. Much will depend on the result of the Lausanne Conference and of the events immediately following it. Kemalist Turkey has in the last three years been able to profit much, with little loss to herself, from Russian support. For the moment, though the relations between the two Governments have lost much of their former cordiality, Turkey can still re-enter the Russian fold, and will doubtless do so unless, on the conclusion of peace, her Government feels sufficiently confident of her own position or of the support of the Western Powers to stand alone.

I have, &c.
NEVILE HENDERSON
Acting High Commissioner.

[E 6313/199/44] No. 508.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received June* 18.)

(No. 348.)

Constantinople, June 13, 1923.

My Lord,

THERE has been no important development in the Turkish electoral campaign since my despatch No. 333 of the 6th instant was written. Preparations for the choice of the "second electors" have been in full swing and in a few further areas their nomination has been completed. In one sector of the Constantinople vilayet these secondary elections are now taking place, but it is not anticipated that they will be generally concluded much before the end of the present month. It is practically a foregone conclusion that only electors who are members of the Defence of Rights Organisation will be chosen.

2. Owing to the difficulty of obtaining reliable information, the situation in Anatolia remains somewhat obscure. Except for the eastern vilayets and the Trebizond, Samsoun and Erzeroum areas, little or no opposition appears to be expected, and the desire of the Government to hasten the election of at least the nucleus of the new Assembly is indicated by the publication almost daily in the local press of reports of the overwhelming success of the Kemalist's candidates in the second elections. The past week has also witnessed the election of the first four deputies of the new Assembly, three of whom will represent the Chanak area and one the town of Gallipoli. All four are, of course, declared followers of Mustafa Kemal Pasha.

3. Even outside the "disturbed" areas minor difficulties are to be expected and to one of these allusion has recently been made in the press. This has arisen as a result of the decision that each area will not be at liberty to choose its own candidates but will have to accept those nominated by Angora. The people of Anatolia will hardly carry their opposition to the methods of the party organisation to the length of nominating candidates of their own, even if the authorities permitted them to do so. It is, nevertheless, significant that a week ago Mustafa Kemal, who has for some time maintained a complete silence, found it necessary to issue a circular telegram warning the electors against accepting spurious candidates, even if these declared themselves to be members of the Defence of Rights party, and inviting them only to give their votes to the candidates whose names will appear on the lists to be furnished later by the Central Organisation.

4. Meanwhile, as evidence of the freedom from control with which the elections are to be conducted, a certain publicity was given on the 11th instant to a report from Adana of the candidature there of a certain Abdul Kader Kemali Bey, who is the only person up to the present to declare himself an opponent of Mustafa Kemal. This man, who, in the old Assembly was deputy for Castamouni, is reported to have published a manifesto denouncing the military tyranny at present in power in Angora, but the report significantly adds that no importance need be attached to this candidature.

5. My latest information in regard to Trebizond is that the efforts of the special mission sent there, as reported in my despatch No. 310 of the 22nd ultimo, to endeavour to pacify the local population, had ended in failure and that local feeling continues to be extremely hostile to the Government. Even so, however, it is not improbable that at Trebizond, as well as in the eastern vilayets, the Kemalist organisation may in the end succeed by dint of threats, intrigue and force in securing at least a paper majority, although it is unlikely that the elections in these areas will be concluded for some considerable time.

6 So far as the press is concerned the Opposition parties maintain their policy of detachment. It seems, however, that Mustafa Kemal has not abandoned all hope of securing the co-operation of at least some of them. In this connection I have received information, for the accuracy of which I am unable to vouch, to the effect that Yunus Nadi Bey, who recently passed through Constantinople on his way to Smyrna, was commissioned by Mustafa Kemal to endeavour to conclude an agreement with Nazim Bey and the other leaders of the Committee of Union and Progress there The basis of this agreement was to be the equal division of the accumulated funds of the party between the Defence of Rights party and the remaining members of the committee, which would thereupon automatically cease to exist. In the event of the Unionists refusing to accept this agreement energetic measures were to be taken against their leaders who would be immediately arrested and put on trial for abuse of their position during the war and for their subsequent anti-Nationalist activities. Yunus Nadi, accompanied by Dr. Nazim, Shukri Bey and Aziz Bey, ex-treasurer of the committee, has now returned

direct to Angora, and it is stated that the Kemalist offer has been accepted in principle by the Unionist leaders and that only the question of the actual division of the funds remains to be settled.

7. If this report be true, and I am inclined to believe it, it is somewhat significant in the sense that it tends to indicate both that Mustafa Kemal is far from feeling absolute confidence in the result of the elections and that the Unionist party is sufficiently powerful to require methods of compromise rather than of intimidation. Though I anticipate that, at any rate, outside the eastern vilayets, none but members of the Defence of Rights group will be elected it does not follow that they will ultimately prove to be supporters of Kemal himself.

8. Moreover, while I consider it possible that Yunus Nadi, who is certainly in close touch with Mustafa Kemal, may have been charged with a mission of the nature described above, I am inclined to doubt whether the Unionist organisation will be inclined to part with one of their strongest weapons even at the command of Mustafa Kemal The Unionist leaders are more likely, in my opinion, to adopt dilatory tactics realising as they must, though temporarily in the minority, the swing of the pendulum will in due course give them on opportunity of reasserting their position.

I have, &c

NEVILE HENDERSON,

Acting High Commissioner.

[E 6317/5545/44] No. 509.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received June* 18.)

(No. 354.)

Constantinople, June 13, 1923.

My Lord,

AS I reported in my telegram No. 336 of the 5th instant, the daily payments to the National Bank of Turkey of the proceeds from the bridge tolls recommenced on that date and in return for an assurance that these payments would continue in the future to be handed over to the bank as usual, the latter consented to provide the municipality with a sum of about £T. 100,000 for its urgent expenses. This sum represented the excess for the past four half-years from the proceeds of the tolls after the coupons on the loan for those periods had been paid in sterling. It had hitherto been held back pending a settlement of the question of the payment of arrears still due to the bondholders for the periods prior to 1921.

2. I had hoped that the incident of the bridge tolls was liquidated by this arrangement. I have, however, since learnt that the municipality has withheld the sums collected during the last fortnight in May from passengers on the tramways as distinct from foot passengers. These sums are transmitted twice monthly to the bank direct by the tramway company. They have not been paid for the period mentioned as the result of instructions from the prefecture, which claims that, inasmuch as for part of this period the ordinary tolls were not handed over to the bank, the tramway receipts should likewise be retained by the municipality. I drew Adnan Bey's attention on the 11th instant to this glaring proof of Turkish ill-faith and he undertook to do what he could to set the matter right In this respect, however, I regard the fact that the cheque for £T. 100,000 was signed and delivered without insisting on the restoration of the toll money which had been illegally seized during the period from the 28th May to the 5th June was a serious tactical error on the part of the bank.

3 Since my last interview with Adnan Bey, I have now received from Mr. Dickson the translation of a document, copy of which I beg leave to enclose, which has been communicated to the National Bank by the prefecture and which clearly proves that the municipality has by no means abandoned the struggle. The prefecture therein specifically announces, *inter alia*, its right to withhold in future all amounts collected from the tolls over and above the sum required to cover the interest of the loan, payable not in gold but in a currency unilaterally selected as more suitable than gold by the municipality.

4. Though I regard this document as, for the moment, a mere statement of policy, I will take this opportunity of addressing to Adnan Bey a formal protest on behalf of the British bondholders against the attitude thus adopted by the municipality, and, while assuming that no violation of the existing contract is contemplated pending a settlement of the disputed points between the bondholders and the prefecture, will emphasise the deliberate and cynical ill-faith shown by a communication of this nature.

5. The whole incident is typical of what may generally be expected from the Turks in the future or at any rate so long as the question of the currency of the interest on the public debt remains outstanding or the present Government of the Grand National Assembly of Turkey remain in power at Angora.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

Enclosure in No. 509.

Prefecture to National Bank of Turkey.

(Traduction.)

Au premier Notaire de Péra.

PAR les deux notifications datées des 31 mai et 2 juin 1923, communiquées à nous par votre entremise, la Direction de la Banque nationale de Turquie insiste sur la nécessité de lui verser la totalité des revenus affectés à l'Emprunt municipal Cinq pour Cent 1909 et réclame pour le non-paiement intégral des annuités.

Mais, le montant de l'annuité pour les intérêts et l'amortissement étant déterminé par le contrat, il est impossible d'effectuer des paiements en livres sterling. L'article traitant du paiement des intérêts à Londres en sterling au gré du porteur avait été accepté, en tenant compte de la situation normale, et à la condition sous-entendue que la différence entre la livre turque et la sterling serait insignifiante.

Il est évident que les parties contractantes en acceptant le règlement des intérêts à Londres ne prévoyaient pas que le cours de la sterling serait multiplié. Ils ne peuvent donc aujourd'hui exiger le règlement à un cours qui économiquement ne peut être considéré comme différence de change.

Par conséquent, nous adressons ces trois notifications pour faire connaître :

1. Que la non-exécution de cet article s'impose tant que continuera la situation anormale ;
2. Que la banque n'a aucun droit sur l'excédent des revenus après défalcation du montant réservé aux annuités ;
3. Que si elle a encaissé plus que nécessaire le surplus doit être retourné ;
4. Qu'il n'y a pas de perte pour la banque si les excédents ne lui sont pas remis ;
5. Que les réclamations déjà faites ne sont pas fondées, puisque les paiements effectués jusqu'ici dépassent les annuités échues.
6. Que la préfecture réserve ses droits :

(*a.*) De ne pas déposer à la banque, lorsqu'elle le jugera nécessaire, les montants autres que ceux qui sont affectés à l'emprunt) provenant des augmentations sur la taxe du péage des ponts, majoration apportée spécialement pour l'entretien des services municipaux ;

(*b.*) Pour réclamer la restitution des sommes supérieures aux annuités.

Je vous prie, par procuration et au nom de la préfecture, de garder par devers vous l'original du présent et de communiquer le deuxième exemplaire à la direction de la banque et de me retourner le troisième.

Des Avocats de la Préfecture,
HOULOUSSI.

Préfecture de la Ville, Direction des Affaires judiciaires, le 10 juin 1923.

Nous communiquons cette notification, conforme à l'original, à la direction de la Banque nationale de Turquie, Galata.

Premier Notaire de Péra,
RECHID ZUHDI.

Bureau du premier Notaire de Péra, le 11 juin 1923.

[E 6318/199/44] **No. 510.**

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 18.)

(No. 355.)

My Lord, *Constantinople, June 13, 1923.*

I HAVE the honour to inform your Lordship that the Turkish newspaper "Ikdam" of yesterday contained an interesting article on the future status of Constantinople and Angora. The article was written by its proprietor, Ahmed Djevdet Bey, who is at present attending the conference at Lausanne. The following is a translation of the more important passages :—

2. "From the point of view of defence Constantinople is to-day valueless. It can be defended neither from land nor from the sea. For this reason the defences of Turkey will never again be centralised in Constantinople. The military arsenal, as well as the munitions factories, cannot remain there, and for the same reason neither can the Government Departments. Everything must be transferred to a suitable place in Anatolia. The question of Constantinople is linked with that of Thrace, and the future of both requires another mentality and other methods. We must envisage the changes to which Constantinople will be subject in the future, and the efforts we shall have to make to live there. The question of Constantinople is a Balkan and an international one. In dealing with it we must look at other points of view besides our own.

3. "From a general point of view Constantinople fulfils all the conditions favourable to a capital. But we must admit that up to the present we have been unable to benefit from its exceptional situation, because the Ottoman Empire had never the mentality nor the courage to be a modern State. Even in ancient times the Government of Constantinople had to be a European Government. It was impossible to remain in Constantinople with an Asiatic mentality after it had benefited from European civilisation. Constantinople should be administered under a system of decentralisation. Neither Angora nor any other Anatolian centre can administer Constantinople, just as Constantinople could never administer Anatolia. If Constantinople can possess great commercial organisations she will progress, and become for Turkey not as heretofore a source of expense, but a source of wealth and culture. But the organisers must be found. We do not possess such economic experts. They can only be found to-day among the British, the Germans and the Americans, and their assistance will be necessary to secure success."

4. After dealing with the Turkish incapacity for administration and organisation, Ahmed Djevdet Bey continues : "When I learnt recently that 10,000 persons had offered their candidature in the elections I could not conceal my surprise, for that means that in our country, where education is only for the few, there are 10,000 people capable of carrying out the legislative and executive functions. In that case we are superior to Britain, France, America and other countries! Unfortunately, such is not the case ; the great majority choose the career of Deputy in order to live, and others out of desire for power.

5. "As regards Angora, its sanitation is bad and heavy expenditure will be necessary to improve it. Konia, on the other hand, is said to have an excellent climate. As we are unable to find these millions, we naturally cannot hope for the development of the town under present conditions. Besides, we cannot establish factories at Angora, for no workmen would live there. Even if a company were entrusted with the building of Angora, time is required, and the affairs of a capital cannot wait for years. We must therefore choose another town as a temporary capital until the necessary reconstruction has been completed at Angora. Besides, Angora has a glorious history, which will live as long as the Turks, for it delivered the country from the enemy. It is altogether an historic and a national town. From this point of view, even if Angora cannot be a capital, it must be reconstructed and considered as a national Turkish 'kibleh'" (Mecca, towards which the Moslems turn during prayer).

6. In conclusion, Ahmed Djevdet Bey writes : "The question of Constantinople is one which must be seriously considered, for if the Moslem element is not assured of its existence we must have fears for the future of Constantinople. Little by little the Moslems will leave, and there is no force to prevent them quitting the country. If the Moslem population of Constantinople had possessed an organisation capable of protecting themselves and their property, then Constantinople would have had a greater value to-day. But the political future has not yet been determined."

7. I have ventured to quote the foregoing article at some length because, in my opinion, it represents the opinions of a large number of educated Turks to-day. They fully realise the value of an Anatolian capital, but on the other hand are much exercised as to the fate of Constantinople when it is no longer the seat of the central power. The whole question will doubtless be the subject of lengthy discussions in the new Assembly after the conclusion of peace, but I have little doubt in my own mind that the Nationalist Government intends to maintain itself at Angora at least for the present.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner

No. 511.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 18.)

(No. 202.)
(Telegraphic.) R. *Lausanne, June 17, 1923.*

MY telegram No. 197.

Ismet informed me to-night that he was willing to refer to Angora jurists' formula with two additional paragraphs to replace words in brackets and to provide that all revenues collected by Debt Council should be paid over provisionally to Turkish Government up to 1st March, 1924, and if an agreement about currency question had not been reached by that date a considerable proportion of revenues should be provisionally paid over after 1st March, pending an agreement on currency question.

I told him that new conditions were diametrically opposed to my instructions, since they would clearly curtail liberty of bondholders' negotiations, and I could not even refer his proposal to you

I had previously learned that French Government are strongly opposed to any further concessions and have put before you and Italian Government proposals in regard to position here generally.

I will confer with my colleagues to-morrow morning and telegraph again on position now reached as regards this most difficult question.

No. 512.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 18.)

(No. 353
(Telegraphic.) *Constantinople, June 17, 1923.*

MY telegram No. 349.

Turkish steamer "Umid," with field and ten mountain guns, 300 men, 200 horses on board, was intercepted by destroyer on leaving Silivri for Panderma this morning and brought to Haridi Pasha.

Mountain guns and breech-blocks of field guns will be removed in British vessel and "Umid" immediately released.

I anticipate violent protest on the part of Turkish authorities. If approached by Adnan, I shall inform him that I regard incident as serious breach of Turkish good faith and as direct refutation of his emphatic assurances, given previously to me, that no military organisation had been built up in Eastern Thrace. I shall add that guns are being detained as proof of Turkish violation of article 13 of Mudania Convention pending decision of His Majesty's Government as to their disposal.

Case is, of course, not so good as if guns had been intercepted on the way to, instead of from, Thrace, but I believe moral effect of action on Turks is likely to be good.

(Sent to Lausanne, No. 175.)

No. 513.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 19.)

(No. 355.)
(Telegraphic.) *Constantinople, June 18, 1923.*

MY telegram No. 353.

It is clear that Turks here are much perturbed and have telegraphed to Angora for instructions as to attitude to be adopted.

Considering it desirable to take the initiative, I called on Adnan this afternoon and asked for an explanation of this irrefutable proof of breach by Turks of Mudania Convention. I told him it would create deplorable impression and shatter all confidence in Turkish good faith.

Adnan was much confused, and endeavoured to explain matter away by saying that guns must have been shipped from Ismid to Panderma viâ Silivri, or else be guns found in Thrace, having possibly been left there by Jafar Tayar. He could find nothing to say in explanation except that he regarded it as unfortunate to have taken this action at such a late stage of peace negotiations.

He said that he was making an enquiry and would furnish me as soon as possible with an explanation. I told him to ask Refet Pasha for it. He said he was trying, but had failed all day to get hold of Refet.

(Sent to Lausanne, No. 178.)

No. 514.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 19.)

(No. 203 (Part 1).)
(Telegraphic.) *Lausanne, June 18, 1923.*

MY telegram No. 202.

Allied delegates reviewed situation this morning. Discussion revealed complete cleavage between French views and my own on two essential points, viz., (1) French consider jurists' formula in any of forms which have been given to it since its inception as being so prejudicial to rights of bondholders as to be inadmissible; (2) French are imbued with the idea that Turks are so unprepared for rupture and its consequences that they would certainly yield to *mise en demeure* which I understand French Government have already proposed to His Majesty's Government and Italian Government. As regards (1), General Pellé's position is that he is tied by his instructions from Paris, which appear still to be those reproduced in paragraphs 2 and 3 of my telegram No. 195.

Slight change for the better in Ismet's attitude on 15th June has produced no corresponding change in that of French Government, though I believe General Pellé himself would like to have more elastic instructions. As regards (2), General Pellé unfortunately shares view of French Government that Turks would certainly yield to ultimatum. He relies on reports from Constantinople regarding incapacity of Turks to face new war and evidence of more conciliatory disposition on their part in local questions. My own view is that, while Turks are most unwilling to go to war, their fanaticism regarding debt question is such that they would face rupture of conference with all its consequences rather than agree to what French want

(Part 2.)

At outset of meeting I gave brief summary of history of question up to and including my conversation with Ismet last evening. General Pellé made formal reservation to the effect that his instructions debarred him from pursuing matter on basis of any formula other than that approved in Paris, but subject to this he did not demur to further exploration of possible solutions. M. Des Closières, representative of French bondholders on Ottoman Debt Council, then informed us that in a conversation with Ismet on Saturday morning he had discussed proposal that Ottoman Debt Council should simultaneously, but independently from peace negotiations, make an agreement with Turkish Government that all assignments of revenues collected by council up to March 1924 should be placed at disposal of Turkish Government subject to a later settlement of accounts. Personally M. Des Closières fully recognised that it would be impossible for Turkish Government to be

deprived abruptly and immediately of revenue belonging to Debt Council, which formed at present a considerable part of receipts of Turkish State. He preferred to advance all receipts rather than any fixed proportion, as this would in no way prejudge negotiations as to currency in which coupons should be paid.

Ismet (apparently largely under influence of Riza Nour, who was present) had refused to consider offer unless it were to continue until date of conclusion of an agreement between Turkey and bondholders on the currency question. M. Des Closières had pointed out that this would place bondholders absolutely at Turks' mercy in these negotiations.

I then summed up alternatives before us as being—

1. To find a formula acceptable both to Turks and Allies.
2. An ultimatum in some form.
3. No declaration.

As regards (1), I said that I had been driven to the conclusion that the task of finding such a formula was beyond our power, and I restated my objection to (2). I said that in these circumstances I was disposed to fall back on (3), but to mitigate its disadvantages by arranging that a letter should be written by inviting Powers to Ismet explaining that abandonment of declaration did not imply that Governments considered contracts as otherwise than valid, or in any way gave up the right to protection of interests of their subjects arising out of contracts hereafter if necessary; in other words, it would be open to French Government to send French fleet to Constantinople to protect their bondholders if a friendly agreement was not reached, in the unlikely supposition that they should decide to do so. General Pellé considered third alternative failed as completely to satisfy his instructions as any compromise of formula hitherto suggested. After much discussion it was decided to prepare yet another formula based on earlier portion of that of jurists, but taking account of French view, and to try Ismet with this this afternoon. This new formula is summarised in my telegram No. 206. It would be supplemented by a separate agreement with Debt Council providing for advance to Turkish Government of all new receipts up to 1st March or possibly 1st September, 1924

(Part 3.)

(R.) It was agreed that my financial experts should present this to Ismet this afternoon, still not as being firm Allied or even British offer, but as something which, if acceptable to him, I might induce His Majesty's Government to accept. Ismet uncompromisingly rejected it, and made it clear that nothing would satisfy him except arrangement by which amount of revenue allocated to coupons should in no circumstances exceed amount required on francs basis, whether in virtue of agreement with bondholders or pending its conclusion. He presented formula of his own going slightly farther even than that which I rejected last night. After this interview I again met my colleagues. We agreed that it would be useless to consider any further formula and that we could only await instructions from our respective Governments. Situation of conference is therefore one of complete deadlock pending agreement between French and British Governments regarding further course to be pursued. Italians can be relied on to fall in with any plan not involving rupture on which His Majesty's Government and French may agree.

Since parts 1 and 2 of this telegram were drafted I have received your telegram No. 90. I anxiously await your views on request of French Government. Formula which they ask us to join in pressing on Turks is identical with that mentioned in second paragraph of my telegram No. 195. (End of R.)

No. 515.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 19.)

(No. 206.)
(Telegraphic.) R. *Lausanne, June 18, 1923.*

MY telegram No. 203.

Following is summary of formula regarding Public Debt referred to therein:—

Undersigned, duly authorised by Turkish Government, declares that all cession, &c., provided for in Decree of Muharrem and annexed decrees and in other agreements relative to pre-1914 Turkish loans and advances shall remain in force in

so far as they are not modified by Peace Treaty. As regards currency in which service of loans and advances shall be effected, this question will fall to be settled between Turkish Government and bondholders.

Consequently, and subject to observance of such settlement, Public Debt Administration shall, on ratification of treaty by Angora Assembly, be restored to full exercise of rights and functions in accordance with said decrees and agreements.

No. 516.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 19.)

(No. 208.)
(Telegraphic.) *Lausanne, June 18, 1923.*

(R.) MY telegrams Nos. 192 and 193.

M. Venizelos informed a member of my delegation to-day that Ismet called on him this afternoon for first time at his hotel. Visit was ostensibly only one of courtesy, but Ismet had enquired into truth of reports in press about a correspondence between Allies and Greece regarding a separate peace between latter and Turkey. M. Venizelos said that he explained to Ismet that there was no question of separate peace, but merely of expediting re-establishment of a state of peace between Turkey and Greece by some preliminary arrangement between them, should general negotiations between Allies and Turkey drag on at Lausanne or be adjourned. Principle of some such separate Greco-Turkish instrument, which would ultimately form part of main settlement between Allies and Turkey, could already be found in Prisoners Convention. M. Venizelos concluded by explaining that he was not pressing his request on the Allies, because latter had announced that they did not foresee an adjournment of conference or any prolonged delay in making peace. Ismet did not pursue the conversation. (End of R.)

M. Venizelos got impression from Ismet that he expected to reach an agreement with Allies on debt question

M. Venizelos repeated what he has often said before, that if Allies made war or peace Greece would follow them, but that if there was a rupture without hostilities or an adjournment Greece must in her own interests make peace.

No. 517.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 19.)

(No. 209.)
(Telegraphic.) D. *Lausanne, June 18, 1923.*

MY telegram No. 183.

My French colleague told me to-day that French Government had abandoned idea of demanding demobilisation of Turkish army *pari passu* with evacuation, also that they were agreeable to proposal that period for evacuation should be six weeks. He added that he was authorised to inform Ismet that, subject to satisfactory settlement of other questions, evacuation question would be settled to satisfaction of Turks. I encouraged him to take advantage of these instructions to reassure Ismet on this point, thus confirming broad hints which I have myself already given to latter.

(Repeated to Constantinople.)

No. 518.

The Marquess of Crewe to the Marquess Curzon of Kedleston.—(Received June 19.)

(No. 596.) [By Bag.]
(Telegraphic.) *Paris, June 18, 1923.*

"TEMPS" understands that Allies now propose to hand Turks their final proposals on all outstanding points and to demand definite answer at early date. It doubts whether Allied proposals (on points interesting France, namely, debt and

concessions) are really satisfactory, as under them all the troubles of the bondholders, &c., will arise after peace has been signed. "Temps" considers that definite agreements between Turkey and bondholders and between Turkey and concessionnaires should have been concluded before signature of peace. It regrets, therefore, that French Government did not encourage bondholders to negotiate direct with Turks some time ago.

(Copy sent to Lausanne.)

No. 519.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 21.)

(No. 210. Confidential.) [By Bag.]
(Telegraphic.) *Lausanne, June 19, 1923.*

M. STANCIOF informed a member of my staff yesterday, in confidence, that the new Bulgarian Government were apparently going to make a resolute attempt to raise again here the question of Dedeagatch. They were not only sending as their second delegate M. Morphof, who was here as a port and railway expert during the first phase of the conference, but had also instructed M. Radef to come to Lausanne in an unofficial capacity to agitate generally on this subject in conference circles Latter appears to be a Macedonian and a journalist who has held post of Minister at Berne and Bucharest

(Copy sent to Sofia by bag.)

No. 520.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 20.)

(No. 212.)
(Telegraphic.) *Lausanne, June 19, 1923.*

MY telegram No. 203.

Following analysis of situation may assist you in deciding on line now to be taken with French and Turks:—

Difficulty of bringing debt question to final issue arises from two main factors, viz.:

1. French Government have not substantially altered their attitude during the past week. They adhere to their own formula as described in your telegram No. 90. It would certainly be impossible now to get Turks to accept this by ordinary negotiations even if it had united Allied backing, and even if it were accompanied by offer which M. Des Closières thinks Debt Council could be induced to make, namely, to place whole debt revenues at disposal of Turkish Government for a stated period

2. French Government believe that Turks would yield to *mise en demeure*. They regard this as so certain in view of their reports from Constantinople and Angora that they believe it would entail no serious risk of rupture. My Italian colleague and I disagree.

As regards (1), central idea in minds of Turks is still that interest must be paid in French francs. In their view only alternative to specific provision for such payment is some solution which will give them (*a*) immediate disposal of at least as much of ceded revenues as may be left after retention by Debt Council of amounts necessary for service of loans in French francs, and (*b*) power to compel assent of bondholders at early date to definite arrangement for payment in French francs at any rate for a longish term of years. Des Closières' offer is, from this point of view, beside the mark, because Turks feel that no matter for what period whole Public Debt revenues are advanced to them, time will come when bondholders (supported by one or more Governments at favourable moment) will claim their full rights under contracts and will not come to terms on any less favourable solution.

As regards (2), all our evidence tends to show that leaders at Angora, headed by Mustafa Kemal and supported by most influential elements in the country, are worked up to point of fanaticism on this question. They do not want to go to war

about anything, but this has become one of the questions on which they would risk the madness of war rather than give way, unless they can get French francs affixed or something as near it as to make no difference.

They want this in order to have money both for reconstruction and for maintenance of strong military situation. They also feel that they could have no better grounds from point of view of home politics than to be able to say that they had broken off conference rather than leave most important portion of revenues of the country in the hands of extortionate foreigners. This would answer their purpose as an election cry all the better as idea of French francs originated with people like Djavid and Djahid, who are now active members of the opposition. As for military aspect, Mustafa Kemal and his associates have never shrunk from heavy risk, and it would be foolish to count on their doing so now, especially as chances of their having to take on Greek army are small. Turkish army is reported to be in a poor way, but every recent estimate of its value has been made with reference to its capacity to face a war with Greeks or with Greeks plus Allies.

Recent capture of guns which were being transferred from Silivri to Panderma (see Mr. Henderson's telegram No. 353) seems to confirm theory that Turks, thinking they have nothing more to fear from Greeks, wish to be prepared for action against ourselves or French in case of necessity.

Assuming that His Majesty's Government wished, at all costs, to avoid rupture, I think we should aim at getting French to agree to following successive lines being taken at Lausanne:—

1. Vigorous united effort to make Ismet accept jurists' formula, summarised in my telegram No. 197, with any modifications agreed to in discussions with French, who must, however, be made to realise that any attempt to make it substantially more stringent would destroy last chance of its acceptance by Turks. If this fails further search for a formula should be finally abandoned.

2. Immediate discussions between French bondholders (who probably hold 90 per cent. of bonds) and Turkish Government. This has been unofficially suggested by a French expert to Paris. It would avoid rupture if bondholders will decide to accept francs, but would accentuate difficulties otherwise. It would therefore be dangerous to suggest this procedure until bondholders have been sounded. Also British and other bondholders might refuse to follow the French.

3. Fall back on my suggestion at meeting yesterday to drop all question of declaration, but to place it on record in a note that Allies by abandoning their demand for (1) do not abandon their right to protect bondholders if latter are not fairly treated by Turks. This note would to some extent meet argument as to implicit surrender of bondholders' rights resulting from dropping declaration.

It may be assumed that (3) would settle our difficulties without danger of rupture, though Turks would probably place on record their own view that interest question was not matter of international concern. Each side would then rest on their positions until such time as (*a*) Turks and bondholders came to terms more or less amicably, or (*b*) bondholders were able to exert pressure owing to Turkey's need to raise new money abroad, or (*c*) position of Turkey *vis-à-vis* Powers were so altered by future developments as to make this question merge in some new political settlement in conditions more favourable to us than those now prevailing.

General Pellé at my suggestion proposed to leave for Paris to-night to review whole position here, but M. Poincaré has discouraged the idea.

No. 521.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 19.)

(No. 213.)
(Telegraphic.) *Lausanne, June 19, 1923.*

MY immediately preceding telegram.

Should His Majesty's Government decide after full consideration in favour of *mise en demeure*, I trust it will be [? confined] to debt and concessions questions, with or without [? favourable] offer regarding evacuation of Constantinople and Chanak in order to encourage Turks to accept our terms regarding above-mentioned two questions.

This suggestion is inspired by mention of Mosul in your telegram No. 80. There would be, in my opinion, no need to include Mosul settlement in *mise en demeure*, as it is clear from numerous conversations with Turks that they are only waiting for settlement of other outstanding questions, including evacuation, to agree to nine months proposal. Ismet Pasha has already accepted rest of our draft article regarding *status quo*, &c. (see my telegrams Nos. 70 and 71).

No. 522.

The Marquess of Crewe to the Marquess Curzon of Kedleston.—(Received June 20.)

(No. 599.)
(Telegraphic.) D. *Paris, June 20, 1923*

YOUR telegram No. 257, and Lausanne telegram No. 209.

Note received from French Government agreeing both as regards date on which evacuation shall begin and period for evacuation.

Copy of my note to French Government and their reply by bag.

(Repeated to Lausanne.)

No. 523.

The Marquess of Crewe to the Marquess Curzon of Kedleston.—(Received June 20.)

(No. 600.)
(Telegraphic.) D. *Paris, June 20, 1923*

YOUR telegram No. 256 and your telegram No. 80 to Lausanne.

Note received to-day from French Government, of which following is very brief summary :—

Concessions.—French Government agree as regards insertion in treaty of five principles in the case foreshadowed, also as regards not extending concession for war and armistice period. As regards Ottoman Bank, they suggest asking for a delay of two years to examine new contract.

As regards debt, they agree that rights of bondholders cannot be infringed. They object to suppression of Turkish declaration of 4th February, and urge His Majesty's Government to accept formula communicated by French Ambassador in London on 15th June. They reciprocate promise of His Majesty's Government of support on debt question with a promise of support as regards Mosul and announcement that their willingness to accept a treaty is equally governed by their receiving satisfaction on debt question.

Evacuation.—French Government agree to view of His Majesty's Government

Copy of my note to French Government and of their reply by bag.

(Repeated to Lausanne.)

[E 6220/17/44] No. 524.

Foreign Office to M. Nouradounghian, Armenian National Delegation.

Sir, *Foreign Office, June 20, 1923.*

I AM directed by the Marquess Curzon of Kedleston to inform you that your letter of the 31st ultimo, relative to the present and future position of Armenians in Turkey, has been taken into careful consideration.

2. As your delegation are no doubt aware, protection is promised by the Turkish Government to Armenian and other Christian minorities in Turkey by the minorities clauses of the draft treaty of peace, which was presented to Turkey on the 31st January last. These clauses, which form section 3 of Part I of the draft treaty, and the text of which appears on pp 698–702 of the British Blue Book on the Lausanne Conference, are modelled on similar clauses in the European minorities treaties. The Turkish Government accepted these provisions during the first phase of the conference, and

there is no question now of reopening the discussions thereon. They contain, in paragraph 3 of article 37, a stipulation regarding the freedom of the minorities concerned to emigrate and to circulate freely in Turkish territory.

3. The Allied delegates at Lausanne have within the last few weeks repeatedly made the strongest representations to the Turkish delegates regarding the attitude which is at present being adopted by the Turkish Government towards the return to Turkey of Turkish subjects of Armenian race, and regarding the application to their properties and possessions of the recent Turkish Abandoned Property Law. There appears some reason to hope that these representations, and the publicity accorded to them in the European press, may have some moral effect on the Turkish Government, who must realise that their desire to except from the operation of the amnesty declaration (see pp. 815–817 of the Lausanne Blue Book) certain Turkish subjects of Armenian race who have recently left Turkey, runs completely contrary to the spirit of that declaration. The pressure of public opinion in Europe and America may be expected to grow stronger on this subject, if it should be shown after the conclusion of peace that the Turks intend to pursue a policy in this respect so likely to disturb peace. The Allied delegates have, moreover, followed up the representations made by them during the official meetings of the conference by a joint written protest in regard to the application of the Abandoned Property Law.

4. His Majesty's Government regret, however, that it is not possible, in existing circumstances, to press this matter to the point of a rupture of negotiations, and they are therefore unable at present to hold out any hope of a complete or immediate change in the attitude of the Turkish Government.

5. In regard to the last point raised in your letter, relative to the release of Armenians at present interned in concentration camps or employed in labour gangs in the interior of Anatolia, His Majesty's Government have little reliable information as to the numbers or conditions of the Armenians thus interned or employed; but if your delegation will furnish further particulars on this point, the question will be carefully considered and such steps taken, either at Constantinople or Lausanne, as may be possible.

I have, &c.
LANCELOT OLIPHANT.

[E 6428/1/44] No. 525.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 21.)

(No. 175.)
My Lord, *Lausanne, June 19, 1923.*

WITH reference to the penultimate paragraph of my telegram No. 180 of the 14th instant and to my despatch No 156 of the 12th instant, I have the honour to transmit to your Lordship herewith copy of a draft communication to be addressed by the secretary-general of the conference to M. Chicherin, inviting Russia to sign the Straits Convention.

2. This invitation has been discussed between my Allied colleagues and myself, and we have come to the conclusion that it would be premature to issue the invitation until agreement had been reached on the questions still unsettled. Until it is definitely known whether or no Russia will sign the Straits Convention, it will be impossible to settle definitely the wording of article 12 of that convention, and this makes it necessary to obtain a reply from the Soviet Government about a week before the date of signature. Notwithstanding this inconvenience, it seems preferable to hold the enclosed draft in abeyance for the time being.

I have, &c.
HORACE RUMBOLD.

Enclosure in No. 525.

Projet de Communication à adresser par le Secrétaire général à M. Tchitchérine.

LES négociations poursuivies en vue du rétablissement de la paix en orient ayant abouti à un résultat favorable, le Traité de Paix entre les Puissances alliées et la Turquie sera signé à Lausanne, le . En même temps sera signée

la Convention sur le Régime des Détroits dont le texte a été examiné, avec la participation de la délégation russe, par la Commission des Questions territoriales et militaires à la conférence, dans sa séance du 1er février, texte que les délégués russes avaient alors repoussé.

Les Puissances représentées à la Conférence de Lausanne ont, à maintes reprises, affirmé leur volonté d'admettre la Russie à participer aux décisions qui seraient adoptées concernant le régime des détroits. La Russie n'ayant, jusqu'à présent, adressé à la conférence aucune communication sur l'attitude qu'elle compte observer définitivement à l'égard du projet de convention, j'ai l'honneur de vous prier de me faire savoir si elle est prête à accepter telle quelle la convention dont le texte a été arrêté par la conférence le 1er février 1923 et si elle est disposée à envoyer des plénipotentiaires à Lausanne pour signer cet acte le . Dans l'affirmative, je vous serais obligé de me faire connaître télégraphiquement les noms et titres de ces plénipotentiaires.

Au cas où, en raison de la brièveté du délai ou pour toute autre cause, vos représentants ne pourraient pas se trouver à Lausanne à ladite date, la conférence a décidé que la signature leur resterait ouverte à (lieu à fixer) jusqu'au (date à fixer).

En l'absence d'une réponse précise avant le 1923, la conférence considérera que la Russie persiste dans l'attitude que ses représentants ont adopté le le 1er février.

Soucieuse de réserver les droits de la Russie, la conférence a prévu que, dans ce cas, la Russie pourrait ultérieurement adhérer à la convention conformément à l'article 19 de cet acte, cette adhésion devant lui conférer notamment le droit d'être représentée à la commission visée à l'article 12.

Le 16 juin 1923.

E 6431/1/44] No. 526.

The Marquess of Crewe to the Marquess Curzon of Kedleston. —*(Received June* 21.)

(No. 1166.)

HIS Majesty's Ambassador at Paris presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of correspondence with the French Government as to the date of evacuation of the Turkish forces.

Paris, June 20, 1923.

Enclosure 1 in No. 526.

M. Poincaré to the Marquess of Crewe.

M. l'Ambassadeur, *Paris, le 19 juin* 1923.

PAR une note en date du 16 de ce mois, votre Excellence a bien voulu me faire savoir que le Gouvernement de Sa Majesté craignait qu'après la renonciation des Gouvernements alliés à apporter aucune limitation aux forces turques, la proposition du Gouvernement italien, à laquelle le Gouvernement français s'était allié, de subordonner l'évacuation à une démobilisation simultanée de l'armée turque, ne fût repoussée par le Gouvernement turc avec une extrême défiance et le plus vif ressentiment. Votre Excellence indiquait que pour ces motifs le Gouvernement britannique pensait que la France accepterait que la complète évacuation du territoire turc fût terminée six semaines après la ratification du traité par le Gouvernement d'Angora.

J'ai l'honneur de faire savoir à votre Excellence que je me rallie à la proposition qu'elle a été chargée de soumettre au Gouvernement de la République, aussi bien en ce qui concerne la date à partir de laquelle devra commencer l'évacuation des forces alliées que du délai fixé pour cette évacuation. Je crois, cependant, devoir faire remarquer que le Gouvernement ottoman n'eût pas été fondé à invoquer la renonciation des Gouvernements alliés à apporter aucune limitation aux forces turques pour repousser une proposition relative à la simultanéité de la démobilisation des forces turques et de l'évacuation des troupes alliées. La démobilisation est, en effet, essentiellement différente de la limitation des armements : l'une est le simple passage du pied de guerre

au pied de paix, le retour d'une armée à ses effectifs normaux, déterminés par une loi de recrutement que chaque pays est libre de se donner ; l'autre est une réduction des forces militaires d'un des conditions fixées par une convention ou un traité conclu avec des Puissances étrangères.

Agréez, &c.
R. POINCARÉ.

Enclosure 2 in No. 526.

The Marquess of Crewe to M. Poincaré.

M. le Président du Conseil, *Paris, June* 16, 1923.

HIS Majesty's Government have learnt from the British representative at Lausanne that a proposal has been put forward by the French Government to the effect that the demobilisation of the Turkish army should begin concurrently and end simultaneously with the evacuation by the Allied occupying forces.

I have been instructed by His Majesty's Principal Secretary of State for Foreign Affairs to point out that, in the opinion of His Majesty's Government, to put forward any such suggestion after it has been agreed to abandon any claim to limit Turkish military forces, either on a peace or a war basis, would arouse the utmost suspicion and resentment, and that in any case the Allies would have no power to control demobilisation on the various fronts, even by establishing commissions of control—a system which Turkey undoubtedly would not accept.

In the circumstances, His Majesty's Government trust that the French Government will modify the instructions issued to General Pellé, and also authorise him to agree in principle to the reduction of the evacuation period to six weeks, starting from the date of ratification by Angora, as recommended by the Allied generals at Constantinople.

This will not prejudge the question of the moment at which the proposed concession shall be made, and the *quid pro quo* to be expected in respect of it.

I have, &c.
CREWE.

[E 6432/1/44] No. 527.

The Marquess of Crewe to the Marquess Curzon of Kedleston. —*(Received June* 21.)

(No. 1169.)

HIS Majesty's Ambassador at Paris presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of correspondence with the French Government respecting outstanding questions at Lausanne.

Paris, June 20, 1923.

Enclosure 1 in No. 527.

The Marquess of Crewe to M. Poincaré.

M. le Président du Conseil, *Paris, June* 15, 1923.

IN the belief that the present situation at Lausanne will thereby be made clearer and an early settlement expedited, His Majesty's Government have instructed me to communicate to your Excellency the following statement of their views upon the problems still outstanding between the Allied Governments and Turkey :—

1. *The Question of Concessions.* His Majesty's Government feel it necessary to insist that the five principles agreed upon between the Allied delegates on the 2nd June shall be included in the treaty unless they receive assurances from the British companies concerned that a satisfactory solution has been reached by means of the private negotiations at Angora. In point of fact, His Majesty's Government have good reason to disbelieve the Turkish assurances that these negotiations are proceeding satisfactorily, while it is on the strength of these assurances that the Turkish request has been made for the treaty provisions on this point to be dropped. On the other hand, His Majesty's

Government do not desire to insist on the extension of concessions for the war and armistice period, and are ready to abandon monetary compensation in cases where satisfaction is obtained as regards other conditions.

2. *Turkish Debt.*—His Majesty's Government can in no circumstances agree to sign away the rights of the bondholders—they have, in fact, no legal power to do so. By refusing to confirm the Decree of Muharrem and the annuities without making any provision for payment in francs, it is clear that the Turkish representative is aiming at securing official recognition by the Allies of their intended default. A compromise would be possible by omitting from the treaty any declaration or provision regarding the debt, and such a compromise would be advantageous in that should Turkey subsequently be forced to default, such default would only damage Turkish credit and greatly impair her power to raise new loans. On the other hand, should the Allies agree at the last moment to omit from the treaty all allusion to schemes for dealing with charges on the debt, they would lay themselves open to a charge of having surrendered the rights of the bondholders. The question is principally one which interests the French Government, and for that reason His Majesty's Government are ready, to a large extent, to follow and support the French point of view. They are, however, naturally reluctant to witness a final breakdown of negotiations on this point, seeing that the British interests involved are relatively unimportant.

3. *Mosul.*—His Majesty's Government must refuse to accept any treaty in which there is no satisfactory solution of this question on the lines of the British formula, but with a reduction of the period allowed for settlement if possible to six or failing that to nine months.

4. *Evacuation.* - His Majesty's Government consider that to agree to the Turkish request for evacuation as soon as the treaty has been ratified by Angora would constitute a concession so important that it should not be lightly accorded. The Turkish desire for evacuation constitutes the most powerful lever in the hands of the Allies, and one which should not be relinquished merely owing to the fear of anti-Allied agitation by Turkey. His Majesty's Government consider, therefore, that discussion of the evacuation question should not be continued until the Allies are satisfied that an acceptable peace is within sight. This, of course, involves a settlement of the points outlined above. In the event of failure to secure satisfaction on these points and, therefore, of failure to sign peace, it will be necessary to reconsider the question of evacuation. In the opinion of His Majesty's Government, the Turkish representative should be made to understand this.

I have, &c.
CREWE.

Enclosure 2 in No. 527.

M. Poincaré to the Marquess of Crewe.

M. l'Ambassadeur, *Paris, le 19 juin 1923.*

PAR une lettre en date du 15 de ce mois, votre Excellence a bien voulu me faire connaître les vues du Gouvernement de Sa Majesté sur quelques-unes des questions encore en litige à la Conférence de Lausanne entre le Gouvernement turc et les Gouvernements alliés.

Je m'empresse de remercier votre Excellence de cette communication et je suis heureux de lui faire savoir que les vues du Gouvernement français se rapprochent sur la plupart des points de celles du Gouvernement britannique.

En ce qui concerne la question des concessions, le Gouvernement français pense également qu'il est indispensable, si les sociétés n'arrivent pas à des accords satisfaisants avec le Gouvernement d'Angora, d'insérer dans le projet de traité les principes sur lesquels les délégués alliés à Lausanne se sont mis d'accord le 2 juin. Il estime aussi qu'il convient de ne pas insister sur la prorogation de la durée des concessions pendant une période égale au temps écoulé entre le 29 octobre 1914 et la date de la mise en vigueur du présent traité. Pour la Banque ottomane, qui ne veut pas avoir à négocier très prochainement le renouvellement de son privilège, il pourrait être demandé à Ismet Pacha de lui assurer un délai supplémentaire de deux années nécessaires pour étudier les conditions du nouveau contrat.

En ce qui concerne la dette ottomane, le Gouvernement français se refuse avec le Gouvernement britannique à approuver toute disposition qui porterait atteinte aux droits des porteurs, et il estime qu'aux porteurs seuls il appartient, au cours des pourparlers qui suivront la conclusion de la paix, de s'entendre avec le Gouvernement

ottoman sur une réduction éventuelle et momentanée des coupons afférents à la dette. Mais il considère que la suppression pure et simple de la déclaration turque du 4 février présenterait de tels inconvénients qu'elle ne pourrait servir de base à un compromis. Il serait reconnaissant au Gouvernement britannique de donner son adhésion à la formule que M. de Saint-Aulaire a dû lui soumettre le 15 juin. Il y a lieu de remarquer que la question de la monnaie de paiement des coupons a été soulevée par les Turcs il y a quelques semaines à peine. Ils ne s'en étaient pas souciés à la première conférence, puisque Ismet Pacha avait accepté, le 4 février, de faire une déclaration aux porteurs de la Dette publique ottomane, reconnaissant le décret de Mouharrem et les décrets annexes, et que, dans ses contre-propositions du 3 mars, il ne parlait pas de modifications à apporter à cette déclaration. La formule que le Gouvernement français a soumise le 15 juin aux Gouvernements alliés consiste, pour faire tomber la principale objection des Turcs, à ajouter à la déclaration du 4 février un alinéa constatant que cette déclaration ne fait pas obstacle au droit de la Turquie de rechercher un accord avec ses créanciers, nécessité par sa situation financière présente. Le Gouvernement de la République est reconnaissant au Gouvernement britannique de vouloir bien appuyer, dans la plus large mesure, le point de vue français dans la question du paiement des coupons de la dette ottomane; il lui donne volontiers l'assurance qu'il le soutiendra également, dans la plus large mesure, dans la question de Mossoul.

Le Gouvernement de Sa Majesté a bien voulu lui faire savoir qu'il se refusait à signer le traité s'il ne contenait pas une solution satisfaisante de cette dernière question sur la base de la formule britannique, mais avec la réduction à six ou, s'il est impossible, à neuf mois du délai fixé auparavant à un an. De même, le Gouvernement de la République tient à faire connaître au Gouvernement britannique qu'il est dans des dispositions toutes semblables au sujet de la paix si satisfaction ne lui est pas donnée dans la question de la dette.

Il est d'accord avec le Gouvernement de Sa Majesté pour estimer qu'il faut tirer parti de l'importance qu'Ismet Pacha attache à la question de l'évacuation du territoire turc pour obtenir qu'il tienne compte des demandes des Alliés. Il estime aussi que cette évacuation est un "puissant levier" entre leurs mains, que la discussion au sujet de ses conditions ne doit être poursuivie que si une paix acceptable est en vue, qu'enfin les Alliés ne doivent consentir à cette déclaration, dans les conditions désirées par les Turcs, que si toutes les questions en suspens sont réglées à leur satisfaction.

Veuillez agréer, &c.
R. POINCARE.

No. 528.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 23.)

(No. 214.) [By Bag.]
(Telegraphic.)
Lausanne, June 21, 1923.

MY telegram No. 209 and previous correspondence regarding evacuation.

Although, according to our view, the Capitulations will not technically come to an end until the coming into force of the treaty, it will no doubt be impossible in practice for our Consular Court to continue to sit after the withdrawal of the troops of occupation. I suggest, therefore, that Mr. Henderson should be instructed (1) to consult the judge with a view to making the necessary arrangements for closing the court on the evacuation of Constantinople, and (2) to keep French and Italian colleagues informed of any decision or action taken.

No. 529.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 21.)

(No. 215. Personal.)
(Telegraphic.)
Lausanne, June 20, 1923.

I HAVE endeavoured in my telegrams Nos. 203 and 212 to present faithfully situation here. It is difficult, however, in official telegrams, which, owing to nature of question immediately at issue, necessarily abound in technical details, to describe

slough of despond into which conference has sunk, and from which nothing but speedy joint decision of Governments can extricate it. Turks, being equally unwilling to initiate rupture or to yield on debt question, have simply dug themselves in.

I have stated in my telegram No. 212 how I consider this situation should be dealt with if, as I believe to be the case, it is the policy of His Majesty's Government to avoid rupture and possible resumption of hostilities on question which mainly interests French. Alternative is to join French in ultimatum covering debt and concessions questions. Even if Italians would agree to this, which they show no inclination to do, it would in my opinion be dangerous. Should you nevertheless contemplate this alternative, it is important that solution regarding debt proposed in ultimatum should be sufficiently moderate to offer some chance of Turks agreeing to it. Whichever solution you favour, key to situation is now in Paris. It is for this reason that I suggested two days ago that General Pellé (whose personal views are moderate, though even he underrates the chances of Turkish resistance to ultimatum) should go to Paris. President of the Council unfortunately refused to sanction this, and suggested that negotiations should continue. Trouble is that we no longer have any basis for negotiations. I realise that my own proposals, while, as I hope, paving the way for peaceful, if inglorious, settlement of debt question, will leave that of concessions to be dealt with subsequently in somewhat similar conditions, and we may emerge from one deadlock to find ourselves in another. I do not think, however, that when debt question is out of the way Turks will be so adamant about concessions as they have been about debt. Once both are settled peace may be regarded as assured, as, apart from these two questions, only small matters of detail remain to be disposed of.

Making this strong personal appeal to you to help conference, I would point out that dangers of present situation may be seriously aggravated by delay. M. Veniselos is impatient, and if he and Ismet came to terms behind our backs, we might find Turks even more uncompromising than they are now; more disposed, perhaps, for madness of going to war with ourselves and French "in order," they would say, "to save their country from financial and economic servitude."

No. 530.

Sir A. Geddes to the Marquess Curzon of Kedleston.—(Received June 21.)

(No. 276.)
(Telegraphic.) R. *Washington, June 20, 1923.*

MY despatch No. 599.

State Department learn that it is contemplated to insert in protocol to treaty of peace with Turkey a provision to the effect that contracts and agreements between Allied Powers and Turkey in regard to which formalities had not been completed before 1914 shall be maintained if they have formed subject of arrangement between Ottoman Government and Allied Governments. American delegation at Lausanne have been instructed to make clear the objections of United States Government to procedure contemplated as one which will foster complications in future commercial relations between Turkey and other Powers. Delegation have further been authorised to state that United States Government are not prepared to acquiesce in view that proposed protocol could properly be involved [*sic*: ? invoked] to impair vested rights of American citizens. While State Department would be the first to recognise that valid rights should be respected, they find no adequate basis in precedent and no requirements of justice to support provisions contemplated.

In communicating above informally to a member of my staff, head of Near East Department expressed a hope that solution might be found through modification or withdrawal of objectionable features of protocol, which would render unnecessary formal statement by American delegation at Lausanne such as is referred to above.

No. 531.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 95.)
(Telegraphic.) D. *Foreign Office, June 22, 1923.*

YOUR telegrams Nos. 203, 204, 205 of 18th June and Nos. 212 and 213 of 19th June: Debt.

It is clear that views of French and Turkish Governments and instructions sent to their delegates are so far apart as no longer to admit of the possibility of a compromise formula, and that consequently we must decide whether to try to induce the French to agree to omit any declaration and be satisfied with a unilateral reservation in a letter to Ismet, or whether in the alternative we should join the French in a policy involving some form of ultimatum.

Before a decision can be taken on this, it is essential that the concessions question and any other question on which agreement has not been reached should be brought to the point of either solution or deadlock. As regards concessions, indications are that the Turks will refuse to include any principles or safeguards in the treaty. This may therefore become a further argument in favour of a strong policy. But in order that the problem may be viewed as a whole and considered in all its bearings, it would be an advantage if we could have before us the complete draft treaty with exception of the clauses relating to the so far insoluble questions. We could then more clearly balance the pros and cons of either holding out definitely for our demands or trying to persuade our allies to make yet further concessions in order to secure such benefits as the body of the treaty confers. For if we finally decide on ultimatum policy it will be desirable to present to the Turks for final acceptance or refusal not only our last word on coupon and concessions questions, but the whole treaty, including provisions governing these two questions. Our demands concerning Mosul would thus be covered. This procedure would have the further advantage of enabling us to include offer of evacuation as an inducement.

Will you therefore endeavour to leave aside the coupons question for the time being and to bring Ismet into the open on the concessions question and any others still outstanding?

You can explain to your colleagues that decision of His Majesty's Government on the coupons question is under consideration and that meanwhile your instructions are as above.

I am repeating this telegram to Paris and Rome for information of French and Italian Governments.

(Repeated to Paris, No. 272; Rome, No. 182; and Constantinople, No. 202.)

No. 532.

The Marquess Curzon of Kedleston to His Majesty's Representatives at Paris (No. 273) and Rome (No. 183).

(Telegraphic.) D. *Foreign Office, June 22, 1923.*

MY telegram No. 95 to Lausanne of 22nd June: Debt.

Please inform Government to which you are accredited of views of His Majesty's Government.

(Repeated to Lausanne, No. 96, and Constantinople, No. 203.)

[E 6501/194/44] No. 533.

Allied Delegates to Ismet Pasha.—(Communicated by British Delegation, Lausanne (No. 183); Received at Foreign Office, June 23.)

(I.)

Excellence, *Lausanne, le 21 juin 1923.*

NOUS avons reçu des informations au sujet de la mise en vigueur en Turquie de la nouvelle loi en date du 15 avril dernier relative aux biens dits "abandonnés." Cette loi aggrave et étend à toute personne considérée comme absente de Turquie les

dispositions de la loi provisoire du 13 septembre 1915 relative aux biens, dettes et créances des sujets ottomans déportés. Ces dispositions qui comportent la saisie et la liquidation forcée par les autorités administratives de ces biens, meubles et immeubles, sont en contradiction avec le droit de propriété, reconnu dans tous les pays.

Aucune disposition particulière de la loi du 15 avril 1923 ne garantissant les étrangers contre son application, et des cas s'étant déjà présentés où des ressortissants alliés ont été prévenus que cette loi leur serait applicable, nous avons le devoir de signaler qu'elle porte atteinte, de la manière la plus évidente, aux droits dont les ressortissants britanniques, français et italiens n'ont cessé de jouir jusqu'à ce jour et que confirment expressément les stipulations de la convention d'établissement adoptées au cours de la présente conférence.

Nous devons ajouter que l'application aux sujets turcs de la loi du 15 avril 1923 compromet elle-même les intérêts de nos ressortissants, en disposant arbitrairement de biens qui fréquemment constituent la garantie d'arrangements pris à leur égard.

Nous ne pouvons, dans ces conditions, que prier votre Excellence de transmettre au Gouvernement turc notre formelle protestation contre toute application de la loi en question dont nos ressortissants se trouveraient lésés.

Veuillez agréer, &c.

PELLÉ.
HORACE RUMBOLD.
G. C. MONTAGNA.

(2.)

Excellence, *Lausanne, le 21 juin* 1923.

Par une lettre en date de ce jour, nous avons eu l'honneur d'appeler votre attention sur l'atteinte grave portée aux droits et intérêts des ressortissants alliés par la loi du 15 avril 1923.

Nous avons également le devoir, en tant que délégués des Puissances contractantes du Traité de Paix en voie de conclusion, de signaler à votre Excellence la contradiction manifeste de cette loi avec les dispositions du traité relatives à la protection à donner par le Gouvernement turc aux droits naturels de tous les habitants de la Turquie. Les Gouvernements alliés ne sauraient accepter qu'au moment même où ce traité est en voie de conclusion, le Gouvernement turc mette en vigueur des dispositions inconciliables avec les engagements que les Puissances contractantes sont convenues de prendre les unes à l'égard des autres.

Veuillez agréer, &c.

PELLÉ.
HORACE RUMBOLD.
G. C. MONTAGNA.

No. 534.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 23.)

(No. 216.)
(Telegraphic.) D. *Lausanne, June 23, 1923.*

I COMMUNICATED your instructions to me to a meeting of Allied delegations this morning. French delegate had previously informed me of his instructions, which were to the effect that three proposals which I had submitted for a settlement of coupon question had been referred to French Ministry of Finance, whose views would be subsequently communicated to General Pellé. Meanwhile he was instructed to concert with his colleagues in drawing up a note to Ismet covering all other questions still unsolved, including concessions question, stating definite views of Allied Governments on these questions, and asking for views of Turkish delegation thereon.

I pointed out that there was considerable similarity between French delegates' instructions and my own, and I suggested that it would be more satisfactory as well as more expeditious to review outstanding questions, except coupon question, at a private meeting with Ismet and his experts, which might take place this afternoon, than to address a note to him on the subject. This was accepted. My delegation had meanwhile prepared a list of all outstanding questions, from which we selected those

of sufficient importance to be reviewed at meeting with Ismet. These number about eleven, remainder being of quite minor importance or questions which have been to all intents and purposes already [? omitted: settled]. I am sending by bag this evening copies of complete list and of agenda for discussion at meeting.

I will telegraph result of this afternoon's meeting.

(Repeated to Constantinople, No. 95.)

No. 535.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 23.)

(No. 217.)
(Telegraphic.) R. *Lausanne, June 23, 1923.*

MY immediately preceding telegram.

Ismet called on me last night before I was in possession of your telegram No. 95, and pressed me to bring coupons question to a head and to settle it. I replied that a satisfactory settlement of this question depended on himself, and that I personally had done all that I could to promote a settlement. He then urged that we should take question at a private meeting and if necessary register a disagreement on it. I enquired what would happen then, to which he replied that this would be a matter for Allies to decide. He was evidently very worried, and is probably being pressed by his Government to finish off negotiations.

He added that information he had received from his Government showed that concessionary companies were making satisfactory progress in their negotiations at Angora.

Having just received Mr. Henderson's telegram No. 358 to you, I replied that my information was diametrically opposed to that of Ismet, and was to the effect that five of the principal British companies had completely failed to conclude acceptable agreement. I shall make further use of Mr Henderson's telegram at this afternoon's meeting.

(Repeated to Constantinople, No. 67.)

No. 536.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 23.)

(No. 218.)
(Telegraphic.) R. *Lausanne, June 23, 1923.*

MY immediately preceding telegram.

During his visit to me last night Ismet stated that he had received information that Allied military authorities at Constantinople were evacuating Turkish war material which is in Allied custody, and which Turks expected to receive back when Allied forces evacuated Turkish territory. He protested against this proceeding, which he said would cause Turks much inconvenience. I replied that I knew nothing of matter. He was unable to give me details.

I then enquired whether he was alluding to recent seizure by British authorities of field and mountain guns on board "Umid." As he professed to know nothing about this incident, although in subsequent conversation it was clear that he was perfectly familiar with it, I told him what had happened, and said that seizure of these guns, which had been put on board at Silivri, was a clear proof that Turks had violated Mudania Convention. He tried to make out that this was not the case, as guns were not being transported from Anatolia to Roumelia, and suggested that these guns had been buried in Roumelia and since dug up. I said I could not accept this ridiculous explanation, and I rubbed into him manner in which Refet Pasha had been consistently violating Mudania Convention for a long time past.

Ismet then said that he wished to assure me that there had been no concentrations of Turkish troops on Syrian frontier. On the contrary, French had made concentrations on Turkish frontier.

(Repeated to Constantinople.)

No. 537.

Mr. Henderson to the Marquess Curzon of Kedleston. (*Received June* 24.)

(No. 361.)
(Telegraphic.)
Constantinople, June 24, 1923.

(R.) YOUR telegram No. 79 to Lausanne.

Patriarchate has addressed note to Allied High Commissioners and is addressing to Serbian and Roumanian Legations and United States High Commissioner similar note, stating that mixed council which has been discussing question of Patriarch's resignation after signature of peace has decided that resignation cannot be accepted until mode of election of new Patriarch and legal position of Patriarchate, *vis-à-vis* Turkish authorities, has been defined. Council points out that old regulations for election are no longer, for various reasons, recognised by Turks, and that new regulations can only have canonical value if confirmed by Patriarch.

Patriarchate begs the Powers to use influence in obtaining recognition by Turks of present constitution and form of Patriarchate and safeguards for free exercise of its functions, including election of Patriarch. (End of R.)

Refusal to allow Patriarch to resign is contrary to insistent advice given by M. Venizelos, but, for reasons which I will report by despatch, I incline to view that unless guarantee by Christian Powers against Turkish interference in election can b given best solution might be temporary removal of whole Patriarchate from Constantinople before evacuation.

(Repeated to Lausanne, No. 182, and Athens, No. 73.)

E 6576/52/44 No. 538.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received June* 25.)

(No. 362.)
My Lord, *Constantinople, June* 19, 1923.

SINCE the release, late in the evening of the 9th instant, of the three Patriarchate officials and of Damianides, the leader of the malcontents, who, as reported in my telegram No. 342 of the 10th instant, were arrested by the Turkish police for participation in the disturbance at the Panaghia Church in Galata, no further incident has been brought to my notice in regard to the Greek Patriarchate troubles.

2. This lull is possibly due to the conviction that the object of the demonstrators has been attained, and that Mgr. Meletios will in any case disappear on the signature of peace. Although avoiding unnecessary incidents, Damianides is, however, by no means idle, and his activities are duly and daily chronicled in the local press.

3. On the 13th instant the "Vatan" newspaper published a letter, signed by him on behalf of the opponents of Meletios, in which he denied the validity of the decree of excommunication pronounced against him, stating that such a decree could only be issued by a legitimate Patriarch, and not by one who had been nominated by a few Greek officers in Constantinople, and who, moreover, had only three years before been dismissed by the Archbishop of Athens. The latter warned the Orthodox Greeks that if they desired to continue to live in Turkey they must change their ways and forsake their present leaders, who, in due course, would flee and take church money with them. "Oh, you ignoramuses," the letter concluded, "remember that they will flee, but that you will have to remain here. Think of that, and decide aright. It is only thus that you can win the favour of your Turkish fellow-countrymen."

4. The publication of this letter was followed by a visit made by Damianides, who is stated to have been accompanied by two Turkish police agents, to his former church, when he informed the caretakers that preparations were to be made for the early arrival from Anatolia of two officials, who would establish themselves at the church as the representatives in Constantinople of the Orthodox Turk Patriarch of Anatolia. No further developments in this connection have yet occurred, but it appears that the Œcumenical Patriarchate has for the present lost its control over the church in question, where the services are now being conducted entirely in Turkish.

5. Meanwhile, there is little doubt that the movement among the Greek population of Constantinople in favour of placating the Turkish authorities is steadily gaining ground. During the past week it has received expression in connection with the

"secondary" elections which are now taking place here. In face of the non-committal attitude wisely adopted by the Patriarchate, the Greek element was left free to decide its own course of action, and it now appears that considerable numbers of Greeks have availed themselves of the opportunity of voting for the Kemalist nominees. It is further interesting to record that, in the chief middle-class Greek quarter of Pera, the secondary elections were commenced, in the presence of 400 Greek electors, with a prayer offered by the Metropolitan of the district, who, on concluding, called for three cheers for Mustafa Kemal Pasha, which are stated to have been heartily given.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

[E 6577/35/44] No. 539.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received June* 25.)

(No. 363.)
My Lord, *Constantinople, June* 19, 1923.

I HAD the honour to report by telegram the main facts in connection with the seizure of guns on board the Turkish steamship "Umid." The information obtained from other sources in regard to the intended despatch of these guns from Silivri to Panderma was confirmed by aerial reconnaissance, and the necessary steps were accordingly taken to intercept the vessel on leaving the former port. General Harington, Admiral Brock and myself were unanimously of opinion that it was desirable, even at this late hour, to secure such a definite proof of the violation by the Turks of article 13 of the Mudania Convention. We felt that, though the capture of these guns on their way from Thrace was technically less satisfactory than if the converse had been the case, the effect of this action would be likely to be good, and to impress the Turks at a moment when they were showing such obstinacy in regard to the settlement of the final obstacles in the way of the conclusion of the treaty at Lausanne.

2. The capture of the vessel was successfully carried out by the destroyer "Splendid" on the morning of the 17th instant. She was escorted to Haidar Pasha, and her cargo was found to consist of four field guns and fourteen mountain guns. There were also 16 officers and some 500 men on board, as well as over 300 horses. The Turks made no show of resistance, except of the most passive kind. The guns were transferred under the supervision of a company of the Grenadier Guards and of the Royal Marines on board a British vessel by 11 o'clock the same evening, and the vessel allowed to continue her journey.

3. From information received on the following day it was clear that the local authorities here—General Refat Pasha, General Selaheddin Adil Pasha and Adnan Bey—were much perturbed by this capture, which, as they recognised immediately, exposed them to the charge of being held guilty of a violation of the Mudania Convention. Before venturing to make any protest here they telegraphed to Angora for instructions as to the attitude which should be adopted.

4. I therefore considered it advisable to take the initiative myself before those instructions had been received. I accordingly visited Adnan Bey yesterday afternoon and handed him a letter, copy of which I have the honour to enclose, drawing his serious attention to this irrefutable proof of Turkish ill-faith and requesting an explanation. I deemed it indispensable, in view of Adnan Bey's occasional inaccuracy in reporting conversations, to put this in writing, but I explained to him that, while I had originally intended to address this communication to him, I had finally decided, in view of the gravity of the incident, to hand it to him personally.

5. Adnan Bey read my letter carefully, but his confusion was apparent. He said that he was already aware of what had occurred, and that he was at a loss to explain the matter. He thought that possibly the "Umid" had loaded the guns at Ismid for Panderma owing to the difficulty of their transport by land, and afterwards had made a *détour* at Silivri. I told him that I did not think that this was the case, as the fact that they had actually loaded at Silivri was confirmed by aerial photographs taken by some of our machines flying on their normal journey over Silivri down to Kilia.

6. Adnan Bey thereupon tried another tack. He said that they were possibly guns which had belonged to Djafar Tayar's force in Eastern Thrace and which had been left behind after its dispersal. He added that he was making a careful enquiry and

report, and was convinced that he would find the true explanation. I advised him to seek it direct from Refet Pasha, whom I knew to be in Constantinople, whereupon he replied that he had been endeavouring to get into touch with that general all day, but had failed to find him.

7. I impressed upon Adnan Bey the very serious view which I felt sure that your Lordship would take of this incident. I said that, in addition to the shock to British confidence in Turkish good faith in general, this proof of the creation of a military organisation in Eastern Thrace had shaken to its foundations my personal confidence in Adnan Bey's own good faith, and I reminded him of the solemn assurances in this respect which he had made to me such a short while ago, as reported in paragraph 5 of my despatch No. 325 of the 29th May last. Adnan Bey repeated those assurances, and categorically asserted that the Turkish force in Eastern Thrace did not even amount to 8,000 gendarmes provided in the treaty. I replied that, while I could not but accept his word, I could only deduce therefrom that many things had taken place in Eastern Thrace of which he was not aware. Adnan admitted that this was possible.

8. The only objection which Adnan himself ventured to raise was that action of this kind should have been taken at a moment when he hoped that we were on the eve of peace. He would have understood it better if it had been taken some months ago, and he remarked that the fact that the guns were going from Thrace and not into Thrace was evidence of Turkey's peaceable intentions and of the absence of any organisation. I pointed out the illogical character of this last comment, and expressed the opinion that it was fortunate for the Turks that such a capture had not been made earlier in the course of the negotiations at Lausanne, as it would undoubtedly have created a painful impression, and have rendered the Allies more unwilling than they had been to show a conciliatory attitude towards the Turks. As regards the inopportuneness of the action taken by the British authorities, I observed that it was better late than never, and that no moment was ill-chosen in which to establish the ill-faith of people with whom one was dealing.

9. I await with some interest the reply which I shall eventually receive from Adnan Bey as soon as he obtains his instructions from Angora. In the meantime I am concerting with my Allied colleagues with a view to obtaining their concurrence in a formal joint protest to the Turkish Government in view of this definite proof of the violation by the Turks of the convention signed last October at Mudania by Ismet Pasha and the Allied generals.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

Enclosure in No. 539.

Mr. Henderson to Adnan Bey.

Constantinople, le 18 juin 1923.

Cher Adnan Bey,

JE viens d'apprendre du Général Harington qu'un torpilleur anglais a intercepté hier matin, le vapeur turc "Unid" au large de Silivri, ayant à bord un nombre de canons de campagne et de montagne qui avaient été chargés dans ce port à destination de Panderma.

Je m'empresse d'attirer votre attention sur cette preuve irréfutable de la façon dont la Convention de Moudania, malgré toutes les assurances formelles que j'ai reçues de vous à ce sujet, a été violée

Je l'ai cru de mon devoir de télégraphier les faits d'urgence à Lord Curzon, sur lequel ils ne peuvent que produire la plus fâcheuse impression. Je lui ai dit que je m'adresserai à vous pour avoir des explications sur des agissements si contraires à notre confiance dans la bonne foi turque

En attendant les canons en question ont été déchargés à bord d'un bateau britannique jusqu'à ce que des instructions soient reçues des Gouvernements alliés quant à leur disposition éventuelle.

Je vous prie, &c.
NEVILE HENDERSON.

[E 6580/199/44] No. 540.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 25.)

(No. 366.)

My Lord, *Constantinople, June 20, 1923.*

I HAD the honour to report in my despatch No. 348 of the 13th instant that the Turkish electoral campaign, at least in so far as Constantinople is concerned, was about to enter the phase of the "secondary" elections. These are now taking place in practically all the quarters of the town amidst what is described in the press as universal enthusiasm and rejoicing. In actual fact signs of popular enthusiasm have been noticeably absent as, beyond the appearance of a few extra flags and small flag-waving processions with a picture of Kemal carried at their head, there has been nothing to indicate that the people were engaged in choosing their executive Government for the next two years.

2. In face of the general apathy of the electors and of the abstention of a large proportion of the Christian elements, a notable exception to this abstention being the *locum tenens* of the Armenian Patriarchate, some little surprise was at first caused by the announcement in the press that in those areas in which these secondary elections had been concluded, over 90 per cent. of the voters had taken part. An explanation of this was, however, found by the "Tanin," which, in its issue of the 17th instant, reported that on a certain voter going to the polling booth to record his vote he was informed by the official in charge that this had already been done on his behalf. At the same time the "Tanin" added that this was not by any means an isolated case. While it would be difficult in any country but Turkey to credit such a report as well as others of a similar nature which are in circulation, I am quite prepared to believe it to be true. With the whole machinery of the election in the hands of the Defence of Rights Organisation, it is unlikely that any but Kemalist candidates will be elected. But the methods employed can with difficulty be reconciled with individual independence and national sovereignty.

3. Such farcical proceedings are, however, not calculated to increase the popularity of the Kemalist régime in Constantinople. The Turkish press has become increasingly critical of the methods of the Central Government, and has hinted broadly that a certain measure of silence is only being maintained until the conclusion of peace. It is significant that at the last meeting of the Constantinople Municipal Council, the Vali and acting prefect, Ali Haidar Bey, was the object of much criticism, the council going so far as to veto his claim to appoint officials in the prefecture. It is, however, the Vali's handling of the prohibition question which has evoked the greatest storm of criticism. After repeated postponements, he announced, even as late as the afternoon of the 15th instant, that the dry régime would be definitely enforced on the following day, and an official communiqué in this sense was published in the press. Numerous bars and restaurants accepted the order, and it was only on the morning of the 16th that it was ascertained that a further postponement until the 1st August had been decided upon. While this *dénouement* has thrown ridicule upon Haidar Bey and indeed the whole Administration, the Turkish police have doubtless taken full advantage of this opportunity to compensate themselves for their arrears of pay.

4. It remains to be seen what steps will be taken to revive the waning popularity of the Kemalist Administration in Constantinople. The dismissal of the Vali presents itself as an obvious step, and has already been suggested in the press. This could, however, only be a minor palliative, and it now appears that great expectations are being based on the effect of a proclamation which Mustafa Kemal will shortly address to the inhabitants of Constantinople in acknowledgement of the grant to him of the freedom of the city. It is announced that shortly after the publication of this proclamation the names of the candidates for the primary elections will definitely be made public. Indications point to the probability that the names of a few leading Kemalists will be included in the list, although it is officially announced that Mustafa Kemal himself will be a candidate for Smyrna, and Ismet Pasha for Malatia in the vilayet of Kharput.

5. In Anatolia the elections are proceeding without undue incidents, and the total of new deputies actually elected has reached twenty-two. The new results are in respect of Kutshia, Afion Kara Hissar and Ismid, in none of which places difficulties were anticipated or encountered. It is nevertheless interesting to note that these centres have been granted more than their proper quota of Deputies, which will

doubtless later be counterbalanced by reducing the number of deputies for some other areas where the prospects of an overwhelming Kemalist majority are not so bright.

6. Meanwhile, no further information has reached me regarding the position in the eastern vilayets. I am informed, however, that at Smyrna, where difficulties have, as reported in my despatch No. 333 of the 6th instant, already been encountered, Rahmi Bey, the former Vali, and other leading Unionists are conducting an active campaign with fair prospects of success, and that the Kemalist organisation has been compelled to take extraordinary measures to prevent their election.

7. Perhaps one of the most significant electoral features up to date, however, is the prohibition against participation in the elections of army officers below the rank of lieutenant-colonel, a measure which shows the extent to which Mustafa Kemal and his friends are preoccupied in regard to the opposition of the military faction, under the leadership, it is understood, of Nureddin Pasha, the commander on the western front, whose relations with Mustafa Kemal have for some time past been strained. It is possible that even Fevzi Pasha, the Chief of the General Staff, is associated with this opposition, which has been reinforced by the officers of justice against whom a similar vote has been issued. These dissatisfied elements will doubtless be fully exploited later when the opposition takes definite shape, and a bid will in particular be made for the support of the junior officer and general military class, whose position will be very difficult after the signature of peace and whose assistance to the Opposition will be invaluable when, in face of a disillusioned people, the real battle for political control is staged and internal differences are no longer obscured by the paramount external issue.

I have, &c.
NEVILE HENDERSON,
Acting High Commissioner.

No. 541.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 25.)

(No. 219.) [By Bag.]
(Telegraphic.) *Lausanne, June 23, 1923.*

A MEETING of the Third Committee was held on the 22nd June, when several small outstanding matters were disposed of.

Article 71.—The proposals of the Drafting Committee for the second paragraph of this article, contained in their draft of the 7th June (see my despatch No. 142 of 7th June), were approved subject to a reserve made by Ismet with regard to the position of Turkish property in Egypt, and the rights of Turkish nationals regarding their relations with Egyptians. It had already been agreed between the experts to dispose of the question of Turkish property in Egypt by a declaration, the terms of which had been approved, and I am now in communication with Egypt as regards the relations between Turkish nationals and Egyptians on matters such as contracts, the operation of which was suspended by the war (see my despatch No. 189 of 23rd June.

Article 73.—It was agreed to delete the words "y compris espèces, titres et valeurs" (see my despatch No. 174 of 18th June).

Article 73 *bis*.—The article annexed to the report of the economic experts of 13th June was accepted (see my despatch No. 166 of 14th June).

Article 75.—The letter to be written by the Turkish delegation and the declaration by the Allied delegations set out in the same experts' report of 13th June were accepted.

Article 77.—It was agreed that the Mixed Arbitral Tribunal should not have jurisdiction to determine any disputes which might arise under article 73.

Articles 82, 84 *and* 87.—The modifications recommended in the above-mentioned experts' report of the 13th June were accepted.

Article 88.—The article annexed to the experts' report of the 13th June was accepted.

Articles 108–111.—The proposals in the Drafting Committee's text of the 6th June (see my despatch No. 141 of 7th June) were accepted subject to a reserve by Ismet demanding the insertion of an article providing for the termination of the jurisdiction of the Mixed Arbitral Tribunal within three years after the coming into force of the treaty. He suggested that at the expiration of three years any

outstanding cases should be referred to the Permanent Court of International Justice at The Hague. This question was referred to the Drafting Committee.

Article 112 (4).—It was agreed that this paragraph should remain in the treaty, leaving any question of the contributions in arrear to be dealt with between the Turkish Government and the Agricultural Institute at Rome.

Article 113 (12).—The Turkish reserve on this paragraph was withdrawn.

Article 113 (13).—The Turkish reserve as to the inclusion of this paragraph was withdrawn subject to it being provided that Turkey's adhesion was to be conditional on her obtaining under the protocol of 1st May, 1920, such derogation from article 5 of the convention relating to aerial navigation as is necessary, having regard to her geographical situation. This modification was accepted.

Article 114.—It was agreed to delete this article.

Article 115.—It was agreed to delete the second sentence; the first sentence of the article was to be further considered by the Drafting Committee.

Article 128 *bis*.—A clause prepared by the Drafting Committee providing for the suppression of foreign post-offices in Turkey was agreed to (see my despatch No. 147 of 9th June).

Commercial Convention. Article 9.—A small drafting alteration at the beginning of the second paragraph for the purpose of making it clear that the paragraph does not refer to the relations between the Allies themselves was accepted. The Japanese delegate made a declaration stating that their acceptance of this paragraph was not to be taken as an acceptance for general purposes of the definition of sabotage contained in the article.

Article 17.—The question of adhesion of non-signatory Powers was raised, but the Turks maintained their objection to the article.

I enquired whether they would be prepared to give an undertaking to negotiate commercial treaties with Belgium and Portugal "sur les mêmes bases" as in this convention. Ismet stated that it was difficult to know what this would mean, and I then suggested that he should undertake to negotiate treaties "d'après les mêmes principes." He said that he would consider this.

Article 18.—The question of the duration of the Commercial Convention was raised again, but the same difficulty still arises with regard to Greece, Turkey stating that she is not prepared to agree to the duration of this convention being longer than one year so far as regards Greece. M. Veniselos stated that Greece would not agree to this discrimination between her and other Balkan Powers and the question was again reserved.

During the meeting an agreed protest was made by the Allies with regard to a communiqué published at Smyrna by the Angora Minister of Economic Affairs with regard to the Smyrna fire, in which circular it was stated that it had been proved that the fire was not a consequence of war, and recommended owners of insured property to take proceedings against the insurance companies in the courts if they could not obtain satisfaction otherwise. It was pointed out in the protest that this was a most improper interference in matters which were within the jurisdiction of the courts.

No. 542.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 25.)

(No. 220.) [By Bag.]
(Telegraphic.) *Lausanne, June 23, 1923.*

MY telegram No. 216.

The meeting with Ismet Pasha this afternoon lasted three and a half hours. He brought with him Riza Nour and Hassan and four experts, but he himself conducted the Turkish side of the proceedings almost entirely, prompted occasionally by Riza Nour. We took the subjects in the order given in the paper which the Allied delegates had sent him earlier in the day (see my despatch No. 191 of to-day's date). I began by explaining the object of the meeting. The Allied Governments, I said, were seriously preoccupied by the prolongation of the conference, which had already consumed twenty weeks. We had been instructed to review the outstanding questions with Ismet Pasha, and the decisions of the Governments would depend on what he had to say to us.

The following is a short résumé of the discussion under each head:

Article 1. *Evacuation.*

I said that the Turks had no reason to doubt the intentions of the Allied Governments, who were disposed to meet their views subject to a satisfactory settlement of other questions. We could not, however, discuss the question of evacuation, least of all in its details, until those other questions were in a fair way of settlement or actually settled. Ismet Pasha, reverting to this question after I had gone on to article 3, said he had hoped for something definite about evacuation, instead of which I had merely repeated what had already been said. Could this question, he asked, be disposed of at once if the other questions were settled? I said, certainly. He took note of this, and said he understood my meaning to be that, if the other questions were settled satisfactorily, evacuation would be settled in accordance with the Turkish point of view. I replied in the affirmative with the concurrence of my colleagues.

Articles 3 (1) *and* 16. *Syria.*

I repeated a question which I had already put as to whether the Turks were prepared to drop all mention in the treaty of the Franklin-Bouillon Agreement. General Pellé reminded Ismet that he had three days ago offered to define the intentions of the French Government in a letter and that Ismet had promised to consider this offer. After some little discussion, Ismet agreed to the proposed procedure on the understanding that the French statement should take the form of a declaration signed by the French plenipotentiaries with a covering letter and that the settlement thus arrived at should be recorded at a meeting of the conference.

Article 3 (2). *Irak Frontier.*

Ismet, after a brief discussion, agreed that the period for negotiation between the British and Turkish Governments should be nine months. I expressed myself satisfied, though I had pointed out at the outset that what His Majesty's Government had officially proposed was six months, and that the nine months proposal had merely been a personal suggestion of my own.

Article 15*bis*. *Adhesion of Belgium, Portugal, Czechoslovakia and Poland.*

There was a good deal of rather loose discussion about this. My colleagues and I took the line that there was a strong case for giving the first three of these Powers the benefit of section I of the financial clauses and the whole of the economic clauses, and a certain case for doing the same for Poland, even though she had entered into separate negotiations with Turkey for certain purposes; that a state of peace must, moreover, be re-established between Portugal and Turkey; and that the same Powers should be allowed to adhere to the Etablissement Convention. Ismet repeated his usual objections. He agreed, however, that the experts should re-examine the question of the four Powers, or, at any rate, Belgium and Portugal, being allowed to adhere to the portions of the main treaty which we had indicated. He maintained strongly his refusal to let them adhere to the Etablissement Convention, even after we had intimated pretty clearly that we should be prepared to drop Poland.

Passing to the financial clauses, General Pellé explained that we could not deal with the Ottoman Debt question at this meeting, since we had not yet all received final instructions. Accordingly, article 56 (confirmation of Decree of Muharrem) and article 46 *bis* (completion of assigned revenues by Turkey) were left over for future discussion. At this, Ismet pathetically exclaimed that the discussion was all upside down from his point of view. He had expected to talk about evacuation and the Public Debt, and these were the very questions which we said we were unable to deal with. He did not, however, demur to the discussion being continued on the lines which we had laid down.

Article 65. *Civil List Property.*

Ismet agreed with the principle that properties transferred from the Civil List to the Turkish State should pass to the detached States without payment, and the experts were instructed to continue their work of agreeing on the text of the article.

Article 70.

It was stated that the experts were studying the possibility of suppressing the article and replacing it by an agreement that the Turkish Government would raise no

objection to payments on account of coupons made by the Ottoman Debt Council and other establishments during the régime of the Constantinople Government, and would accept as final settlements of past accounts under various agreements between the Debt Council and the Constantinople Government.

Ismet Pasha objected that these matters belonged to the internal administration of Turkey and that they were connected with the payment in francs question. We strongly contested both points, and it was agreed that the experts should continue to discuss the declaration.

We shall clearly be unable to settle this matter until the payment in francs question is out of the way; it should then cause no great difficulty.

General Pellé also took occasion to protest against the refusal of the Turkish Government to carry out their own agreement as to the sum of £T. 442,000 gold sequestrated in 1919. Although Angora had agreed to repay the advances if the balance of the gold were then released (see Constantinople telegram No. 599 of 18th instant) the French delegation learn that Angora has now demanded that all the gold should be transported to Angora, the repayment of the advances being left for subsequent settlement.

Hassan Bey said there must be a misunderstanding on this, and we pressed him to get the matter put right.

Articles 72 *and* 72 *bis.*

These articles had been agreed, but the Turks have been making difficulties about Turkish subjects of Egyptian origin, for whom they wished to secure the benefit of certain portions of the treaty. As reported in my telegram No. 219 of to-day, I am in correspondence with Lord Allenby about this, but as the Turks ask for a little more every day I took the opportunity of telling Ismet that I could not go farther than I had already offered to do, subject to Lord Allenby's concurrence, for which I had asked by telegraph. After some little attempt to obtain more, he agreed not to press for more.

Concessions.

M. Montagna stated that the position with regard to concessions contemplated in the letter of 27th March had now arisen, and it was therefore necessary to consider what clauses dealing with this subject should be inserted in the treaty. A protocol and declaration had been prepared by the Allied experts, and explained to the Turkish representatives in consultation with them, and it was now desired to have the agreement of the Turkish delegation to the provisions included in the protocol and declaration.

Ismet replied that he had always maintained that this matter was one to be settled at Angora by negotiations between the Angora Government and individual concessionnaires. His Government took the view that for the present the question was not within the competence of the conference. The conference had not yet finished its work on the other parts of the treaty, and since the last meeting some of the negotiations at Angora had been completed.

I read a recent telegram from Mr. Henderson showing that in five British cases the concessionnaires had been unable to come to any agreement with the Angora Government after making every possible effort. They had therefore closed the negotiations and had appealed to His Majesty's Government to secure adequate protection by provisions in the treaty. I took this opportunity to speak in the sense of the second paragraph of your telegram No. 89.

General Pellé stated that the representatives of three French undertakings had also been completely unsuccessful and had left Angora. In three other cases the representatives were still at Angora, and in one case agreement had been reached, subject to the approval of the Ottoman Debt Council, which had not yet been given.

I drew attention to the treatment of the representatives of Vickers-Armstrong, showing that their concession was treated as non-existent, and the only suggestion made to them was that they should negotiate some entirely fresh agreement.

Ismet said that the claims put forward by the concessionnaires might have been unreasonable, and asked whether the British Government wished to support unreasonable claims, to which I replied that we had no wish to do anything of the kind, and that the provisions of the protocol, which provided for arbitration, would not assist the companies in any unfair demands. Ismet stated that after the debt and evacuation questions had been got out of the way his Government would consider the question of concessions and give him instructions. At present he had no

instructions to deal with concessions here. I stated that my instructions did not permit me to agree to anything with regard to evacuation until the concessions question had been settled.

General Pellé stated that his instructions were similar.

Ismet repeated over and over again that, in his view, the moment to deal with the question of concessions would only arise when everything else had been completed, and that consequently this moment had not yet arrived, as there were still outstanding matters to settle. It was pointed out to him by all the Allied representatives that in many cases a settlement by direct negotiation between the concessionnaires and the Angora Government had now become impossible, because negotiations had been broken off, and that the time to deal with the clauses to be inserted in the treaty had now arrived.

Ismet declined to give any undertaking that if the debt question were settled he would accept the protocol and declaration dealing with concessions. I asked him whether I was to report to my Government that he refused to discuss concessions until all other matters are settled, and he replied, after some hesitation, that his instructions were only to discuss this matter after everything else was settled.

Riza Nour stated that the instructions from their Government were not to deal with concessions until after the debt and evacuation questions were settled. After that, his Government would be prepared to discuss the question of concessions, but he would give no promise of any kind as to the manner in which they would be prepared to deal with them. My colleagues and I protested vigorously against this attitude, and reaffirmed in the most categorical terms our statement that we could not embark on a discussion of the conditions of evacuation until all other important questions had been disposed of.

By this time the hour was so late and the atmosphere so tense that we did not take the two remaining items of the programme.

Ismet and Riza Nour showed signs of being much rattled by the turn of events, but it did not make them any less uncompromising as regards the principal questions discussed. Hassan maintained a detached attitude, and confined himself to *sotto voce* comments on what passed. I will telegraph to morrow a considered opinion on the general effect of the discussion on the work of the conference and its bearing on our future procedure.

No 543.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received June 25.*)

(No. 221.)
(Telegraphic.) *Lausanne, June 24, 1923.*

(1.) MY telegram No 220, sent by bag last night, gives account of meeting between British, French and Italian delegates yesterday afternoon.

Discussion showed that Ismet realises that Allies have lost patience and that time has come to clear away secondary questions, including some which he has been keeping up his sleeve for final bargaining.

On the other hand, he is determined to connect questions of debt, evacuation and concessions, which he expressly puts in that order. His idea is (1) to extract settlement of debt question on basis of explicit or disguised proviso for payment of interest in francs, and (2) to get firm official assurance of evacuation immediately after Turkish ratification, and by these two victories to justify whole of his conduct of negotiations up to date. He perhaps hopes that, having brought matters to this point, he may induce Angora to give us some measure of satisfaction regarding concessions, but he dare not say so, as his instructions so far are to refuse any such satisfaction.

This leaves us still in difficult position. Impression which I derived from yesterday's meeting with Ismet was that it would be dangerous to leave concessions question for settlement after settlement of debt question. In my view Turks would be encouraged to be intransigent about concessions question by a settlement of debt question, which would presumably be more or less in their favour, and we should proceed from one deadlock to another.

We repeatedly made it clear to the Turks that, whilst, if they were reasonable about debt and concessions questions, they could be assured that we should be

reasonable on question of evacuation, we absolutely declined to discuss evacuation question until all the other outstanding questions had been settled in a satisfactory manner. Although the Turks were visibly disturbed by this statement, I am convinced that evacuation question is not a sufficient lever in itself to bring about a satisfactory settlement of either debt or concessions questions, and still less of both of those questions taken together. (End of D.)

Attitude of Turks towards concessions question was clearly stated by Riza Nour in following words: "At present moment our instructions are not to include concessions question in treaty. If we get satisfaction on question of debt and evacuation we shall perhaps modify our point of view, but not before." It would be most unwise to rely on this vague assurance, but Riza Nour's statement shows that Turks connect all three questions in manner indicated above. It seems to follow that we ought to settle debt and concessions questions simultaneously, either by means of a bargain, or else present Turks with definite texts on both of these questions for acceptance by them within a time limit accompanied by a declaration that if they accept texts evacuation question will be dealt with in a manner satisfactory to Turks.

I am somewhat less disinclined than I was some days ago towards second of these alternatives, but we should still have to reckon with definite risk of ultimatum being rejected, which would entail rupture of conference, followed either by fresh period of prolonged uncertainty or by hostilities. It would be worse than useless to resort to ultimatum unless we were prepared to face these consequences.

First alternative would require preliminary understanding with French more or less in favour of proposals set out in paragraph 3 of my telegram No. 212. We should then have to embark on fresh series of conversations with Turks, starting with statement that we were prepared to make fresh endeavour to find solution for debt question provided that they on their side were prepared to deal with concessions question as part of treaty settlement and to discuss simultaneously with debt question principles governing concession to be incorporated therein. This alternative is in many ways unsatisfactory, but it has at least the advantage that it would postpone and perhaps avert rupture.

I do not think consideration of these alternatives should be delayed. I therefore indicate them at once, though I may be able to express more definite views as to which should be preferred or whether any other course is open when I have seen how Ismet reacts to demonstration of yesterday afternoon and when General Pellé has received further instructions, which will doubtless be sent him from Paris.

We hope to dispose of lesser outstanding questions in two committees sitting to-morrow and Tuesday, thus leaving practically nothing but articles dealing with evacuation, debt and concessions questions for settlement.

No 544.

Mr. Henderson to the Marquess Curzon of Kedleston. (*Received June 25.*)

(No. 363.)
(Telegraphic.) *Constantinople, June 24, 1923.*

YOUR telegram No. 95 to Lausanne.

Following is appreciation of general situation here:

Please see my telegram No. 273. Decline in Turkish fortunes indicated therein has been accentuated during past six weeks. Information from all sources is confirmatory of growing internal disunion amongst Turks, of increasing administrative disorganisation and of waning influence of Mustafa Kemal, at any rate amongst civilian population.

As I have reported in my despatches, Nationalist Administration in Constantinople is the subject here of daily criticism in the press. Publication in defamatory Nationalist paper a few days ago of open and partly censored letter from renegade Circassian Edhem describing Nationalist sovereignty as despotic, attacking Turkish army and praising Committee of Union and Progress is in itself significant.

Experience in Constantinople shows that elections are a [? omitted: farce], and are recognised as such by Turks themselves. None but Defence of Rights party have been elected, for the simple reason that there is no liberty of vote. Extraordinary

precautions taken in this respect, regulation forbidding officers below rank of colonel to vote, and fact that no progress with elections, even secondary in eastern vilayets, has been reported indicate that Kemalists feel insecure both as regards people in general, army in particular, and eastern provinces most of all. Such, at least, is the conclusion which I draw and which is borne out by general information. Façade of national unity remains at Angora and is still defiant. I would view, however, its collapse from within without surprise, though everything in this respect depends on loyalty of army. Many Turks regard a dictator with dislike and apprehension, and prefer a Sultan. All, with the possible exception of the military party, ardently desire peace.

Real weakness of Turkish position would seem to be demonstrated by outcome of our action in seizing guns on "Umid." Though a week has elapsed, no protest has yet been made. As on the last day of the Mudania negotiations, as at Smyrna in February, and as with Greeks at the beginning of this month, Turks have yielded to force or fear of it. In my opinion they are incapable here of active resistance to force. If attempted, it could be broken without difficulty.

From information in our possession it is clear that in the opinion of local Turkish commanders successful opposition to Allies on the European side of the Straits is excluded. Transfer of Refet's troops to Anatolia is capable of various interpretations, such as (1) to conceal traces of violation of Mudania Convention and to remove troops, which, so long as they remain on this side of the Bosphorus, they now regard merely as hostages to fortune, and (2) reorganisation of army in Asia Minor with a view to resistance there in the event of rupture. I regard first as the subsidiary and second as more probable reason.

Danger, in fact, which I foresee is risk of Angora preferring to withdraw into Anatolia rather than sign a peace which they regard as compromising principle of financial and economic independence. Turkish view possibly is that, while Allies are capable of effectual occupation of Constantinople, they would not be prepared to follow Turks into Anatolia. So long as they do not anticipate active measures against them in Anatolia I incline to believe that they would be prepared to face rupture rather than agree to sterling payments for coupons.

It is for the Allies to decide whether they can afford to face this risk in their belief that Turks would yield to Allies' last word if it were made clear to them that refusal would mean, instead of early evacuation, indefinite prolongation of reinforced occupation of Constantinople, and restoration in all respects of *status quo ante* Mudania Convention. If they did not, it is the opinion of General Harington that Allied forces would have no great difficulty in reverting to that *status quo*. In that case Kemalists would, in addition to running risk of losing all they have hitherto gained, be exposed to grave danger of ruining personal position as result of internal troubles.

For military appreciation of the situation please see General Harington's telegram No. 4113 to War Office, which is being repeated to Lausanne.

(Sent to Lausanne, No. 184.)

No. 545.

Mr. Henderson (*No.* 186) *to the Marquess Curzon of Kedleston.*—(*Received June* 25.)

(No. 364.)
(Telegraphic.) *Constantinople, June* 25, 1923.

YOUR telegram No. 218 to Foreign Office.

In the event of Ismet reverting to question, General Harington suggests it might be pointed out that guns, when captured, were accompanied by battery personnel, artillerymen and horses, &c., and that Jafar Tayar gave written certificate that all guns in his possession had been handed over.

As a matter of fact three of the guns bear our marks showing that they were in Tophane depot last June. If Adnan approaches me I propose to ask him for full details of where and how guns were discovered, in order, if possible, to get false statement in writing out of him.

No. 546.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 28.)

(No. 223.) [By Bag.]
(Telegraphic.) *Lausanne, June* 26, 1923.

THE First Committee met this morning to clear off as much as possible of the outstanding business. We took all the subjects enumerated in the first of the two lists enclosed in my despatch No. 191 of the 23rd instant, except article 1, evacuation, and article 27. The proposed addition of the latter to take the place of article 117 (see my despatch No. 146 of 9th June) presents some difficulty from the point of view of the French and Italians, but I hope it will be disposed of at the next meeting of the Third Committee.

The results obtained this morning were as follows:—

Article 2 and Additional Article to the Thracian Frontiers Convention.

The recommendations of the sub-committee (see my despatch No. 114 of 31st May) were adopted generally. At the request of the Turkish delegation, I made a statement to the effect that the words "cours de la Maritza" meant the principal channel of the river in accordance with the general principle laid down in article 6. M. Venizelos asked Ismet Pasha to consider two proposals: firstly, that the delivery of the Kara-Agatch territory to be restored to Turkey should be effected as soon as the Delimitation Commission had established the new Turco-Greek frontier, and that the commission should finish its task within two months after the ratification of the treaty; secondly, that the population of the Kara-Agatch area should be excluded from the exchange of populations, but that such of the inhabitants as might wish to emigrate should have the benefit of the Exchange of Populations Convention, provided they expressed their desire to leave within six months. Ismet Pasha promised to consider these proposals without committing himself in any way to acceptance.

The Bulgarian delegate read a declaration expressing readiness to sign the Thracian Frontiers Convention, but taking exception to the proposed additional article dealing with transit on the ground that this article affected incidentally the question of Bulgarian access to the sea, regarding which Bulgaria still hopes to receive satisfaction of a real kind. I expressed regret that the Bulgarian delegation, which in the sub-committee accepted the article subject to a reservation of Bulgaria's general point of view regarding access to the sea, should have gone back on this. M. Morfof insisted on his refusal to accept the article, explaining that any advantage which it secured was already assured by the Convention of Barcelona, and that the article relative to transit found no proper place in the Thracian Frontiers Convention, which dealt with the demilitarisation. He suggested that the transit article should be placed elsewhere without any mention of Bulgaria. It was agreed that the Drafting Committee should seek a suitable place for the article in the main treaty, and should redraft it so as to omit any mention of Bulgaria.

Articles 3 (1) and 16. Syrian Frontier and Angora Agreement.

General Pellé announced that the Turkish delegation had agreed to drop its demand for confirmation of the Angora Agreement in the Treaty of Peace, on the understanding that the French delegation would furnish a declaration and covering letter confirming the validity of the agreement. Ismet Pasha having concurred, it was agreed that the Syrian frontier should be defined as in the original Allied text. General Pellé said that, in order to remove Turkish anxiety lest the deletion of paragraph 2 of the Turkish counter-draft of article 16 should appear to prejudice the stipulations of the Angora Agreement regarding Antioch and Alexandretta, the French delegation proposed to replace that paragraph by another in the following terms: "Les dispositions du présent article ne portent pas atteinte aux stipulations particulières intervenues ou à intervenir entre la Turquie et les pays limitrophes en raison de leur voisinage." This was agreed.

Article 3 (2). Irak Frontier.

I announced that some time ago Ismet Pasha had agreed in private discussion to a formula proposed by me regarding the Irak frontier, subject to further considera-

tion of the period for negotiation between Great Britain and Turkey. I understood that he was now willing to fix this period at nine months, to which I also was prepared to agree. The formula thus completed was circulated and adopted. My despatch No. 204 of 20th June contains the text.

Article 152. *Blanket Clause.*

The Turkish delegation having withdrawn its objection to the words "ou d'accord avec," the text proposed by the Drafting Committee in their report of 1st June (see my despatch No. 125 of 4th June) was adopted.

Article 156. *Arms Traffic Convention.*

I stated that the inviting Powers were willing to drop this article, but hoped that Turkey would nevertheless collaborate with other Powers in their endeavours to prevent illicit traffic in arms. Ismet Pasha assured us that Turkey would not fail to take her share in such endeavours, a statement which was noted in the minutes.

Article 157. *Prize Court Decisions.*

The two articles prepared by the Drafting Committee (see my despatch No. 145 of 9th June) to replace the original article were adopted with the exception of the last paragraph of the new article 157. Ismet Pasha had before the meeting expressed a wish to reserve the question of Turkish and Greek ships for discussion with M. Veniselos, who agreed to this course. In order to make it clear that the second paragraph of article 157 protected the British owners of two small steamers and other smaller craft seized by the Turks during the war and restored after the armistice of 1918, I read a declaration for insertion in the minutes explaining that I understood this to be the intention of the article. Ismet Pasha assented to this declaration, which had been shown to the Turks before the meeting.

Article 159. *Accession of Belgium, &c.*

I reminded Ismet Pasha of numerous previous discussions and private conversations, in the last of which he had agreed to reconsider this question. He stated that the Turkish delegation would not object in principle to the accession of Belgium and Portugal to certain financial and economic clauses of the treaty, subject to the provision for this being made when the full text of the financial and economic clauses was known. My colleagues and I, supported by the Japanese delegate, expressed regret that the Turks did not see their way to making a similar concession regarding Poland and Czechoslovakia. It was agreed that the Drafting Committee should prepare suitable texts covering the case of Belgium and Portugal on the lines indicated by Ismet Pasha. I pointed out that these would naturally include a provision for the re-establishment of a state of peace between Turkey and Portugal.

Etablissement Convention. Original Article 25. *Accession clause.*

Ismet Pasha stated that Turkey would be prepared to negotiate corresponding conventions with Belgium and Portugal as far as possible on the same principles as those embodied in the convention with the Allies. General Pellé said that, whatever objections the Turks might have to including Poland and Czechoslovakia in the provisions to take the place of article 159, he could not understand why they should object to extending their statement regarding the Etablissement Convention to these two Powers, who had fought by the side of the Allies during the war and whose future relations with Turkey might reasonably be established on the same lines as those laid down in the convention with the Allies. He did not press the claim of Poland, which had already entered on separate negotiations with the Turks, but he urged very strongly that of Czechoslovakia. His appeal was supported by myself and M. Montagna, as well as by the Serbian, Roumanian and Japanese delegations. After a certain amount of fencing we extracted a statement from Ismet Pasha that, in negotiating the Etablissement Convention with Czechoslovakia, Turkey would be guided as far as possible by the same principles as had served for the convention with the Allies. General Pellé pointed out that this amounted to the same as what Ismet Pasha had already said regarding Belgium and Portugal. Ismet agreed that this was so.

No. 547.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 28.)

(No. 224.) [By Bag.]
(Telegraphic.) *Lausanne, June* 26, 1923.

MY immediately preceding telegram.

In proposing the formula regarding the Irak frontier, I did not lose sight of the desirability of shortening still further the period for negotiation between Great Britain and Turkey by making the nine months run from the Turkish ratification of the treaty if it should be decided to begin the evacuation of Constantinople and Chanak immediately after such ratification, or at least from the expiration of the six weeks to be allowed for the completion of the evacuation. As, however, the formula as presented by me to Ismet Pasha some time ago specifically provided that the period for negotiation, whatever it might be, should run from the entry into force of the Peace Treaty, I did not feel that I could suggest any variation in this respect at this morning's meeting. If conditions are favourable when we come to discuss details of evacuation and to define what portions of the treaty and annexed documents are to become operative on ratification by Turkey in return for our expediting the evacuation, I will endeavour to arrange that the period for negotiation regarding the Irak frontier should run from one of the two dates indicated above.

No. 548.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 26.)

(No. 225.)
(Telegraphic.) *Lausanne, June* 26, 1923.

ISMET came to see me to-day.

He asked when Allies would be prepared to settle debt question. I replied that I had reported to you what had passed at meeting between Allied delegates and Ismet on the 23rd June and that I was awaiting expression of your views as to procedure to be followed with regard to debt and concessions questions. I said my French colleague was also awaiting instructions from his Government, and I held out a hope that we might be in a position to meet Ismet to-morrow afternoon. If I were in a position to inform you that Ismet had undertaken to sign a protocol embodying certain principles of a general character for application in the case of concessionary companies who had not been able to reach an understanding with Turkish Government I thought a better atmosphere would be created. I insisted that in any event debt and concessions questions must be settled simultaneously.

Ismet gave me a positive undertaking that if we reached a solution on debt question he would settle concessions question in a manner satisfactory to us. I do not propose, however, to be put off by assurances of future satisfactory action by Turkish delegation with regard to concessions question. It is clear that Ismet was much shaken by meeting on Saturday last.

French delegate sent one of his experts to Paris two days ago to discuss debt question with Ministry of Foreign Affairs and Ministry of Finance. The expert returned to-day, and French delegate informed me confidentially that French Ministry of Finance would prefer omission of any declaration regarding debt to a bad formula which might compromise bondholders. French delegate is expecting his instructions to-morrow morning, and I hope we shall be able to meet Ismet in the afternoon.

[E 6422/1056/44] No. 549.

Foreign Office to Smyrna-Aidin Railway Company.

Foreign Office, June 26, 1923.

Sir,

I AM directed by the Marquess Curzon of Kedleston to acknowledge the receipt of your letter of the 20th June, in which you ask for the views of His Majesty's Government on certain contentions put forward by the Turkish authorities at Angora in reply to your representative's claim for reparation.

2. I am to explain that the Turkish contention that the Allies have a sum of 12,000,000*l.* available for payment of war claims against Turkey is entirely erroneous.

This sum represents the amount to which the Allied Governments, in the course of the negotiations at Lausanne, had agreed in February last to limit their claim to reparations to be paid by Turkey.

3. You are no doubt aware—the facts will be found stated on p. 833 of the Blue Book on the Lausanne Conference presented to Parliament—that the Allied Governments ultimately offered to renounce all payment of reparations. The offer was accepted by Turkey, who, in return, renounced counter-claims which she had previously put forward, but which the Allies had persistently refused to consider, for £T. 5,000,000 in respect of gold deposited by Turkey in Berlin and Vienna as cover for a note issue and subsequently transferred to the Allies under the German and Austrian treaties, and £T. 7,000,000 in respect of advances made by Turkey to British firms for the construction of two battleships which were requisitioned by His Majesty's Government in 1914, Turkey's rights and interests under the contracts for these ships being confiscated to the British Crown when Turkey went to war. To describe the sums representing the claims so renounced as having been "sacrificed" by Turkey, and as being therefore available for the payment of British claims, is completely to misrepresent the position. The alleged fund of £2,000,000, has no existence.

4. As regards the third point in the Turkish contention I am to observe that, in declining to make further provision for reparation, the Turks ignore the stipulation according to which arrangements were made for negotiations at Angora between the Turkish Government and the concessionary companies.

I am, &c.

L. OLIPHANT.

No. 550.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 27.)

(No. 365.)
(Telegraphic.) *Constantinople, June 27, 1923.*

MY telegram No. 362.

Œcumenical Patriarch has sent M. Pallis to acquaint me that he has decided to-day to notify Mixed Council of his desire to proceed forthwith to Mount Athos on grounds of ill-health, transmitting all his powers to Holy Synod, which will be free, if it thinks fit, to open negotiations respecting Patriarchate with Turks as regards new election, &c.

Mixed Council has to approve his decision, but doubtless will do so.

Patriarch asks that he may be conveyed to Mount Athos in British warship. Is there any objection to making necessary arrangements accordingly?

He wishes to leave immediately.

(Sent to Lausanne, No. 189.)

No. 551.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 27.)

(No. 366.)
(Telegraphic.) *Constantinople, June 27, 1923.*

MY immediately preceding telegram.

Idea of Patriarch is to bring matters to a head while the Allies are still here and at Lausanne, with a view to ascertaining real intentions of Turks as to recognition, in accordance with arrangements made at Lausanne, of Patriarchate as a spiritual organisation.

It should be noted that Patriarch is not actually resigning, though it is left to Synod to treat his departure as such, if desirable. I am inclined to believe idea in this respect is that if Turks prove intractable it will still be open for Patriarchate itself, rather than submit to unjustifiable interference in matter of new election, to leave Constantinople later and join Meletios at Athos.

I expect, in order to mark disappearance of former mixed character, Patriarchate Lay Council will cease to exist, leaving only Holy Synod, which Patriarchate will maintain is legally constituted according to canonical law.

(Sent to Lausanne, No. 190.)

No. 552.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 28.)

(No. 226.) [By Bag.]
(Telegraphic.) *Lausanne, June 26, 1923.*

A BRIEF meeting of the Financial Committee was held yesterday to confirm agreement reached among the experts on minor points.

Certain changes proposed in articles 48, 49 and 52 (regarding payment of debt arrears by Italy in case of the Dodecanese), a drafting change in article 49, and the text of articles 49 *bis* (advances), 56 *bis* (periods of prescription for coupons), 57 (reparation) and 67 (German claims on Turkey) were adopted as set forth in the third report of the financial experts dated 12th June and a postscriptum to it, of which copies were enclosed in my despatches Nos. 161 and 197 of 14th and 26th June.

It was agreed to suppress article 50 and Annex II of section I of the financial clauses (railway loans). M. Venizelos agreed to this, but took the occasion to declare that, if Turkey paid her coupons in francs, it would be right and proper to allow Greece to pay the service of her share of the Ottoman Debt in the same currency, to which General Pellé replied that, in the case of Greece, as in the case of Turkey, this was a question which was for the bondholders and not for the Peace Conference to deal with.

On the financial clauses, apart from the coupon question, the only outstanding articles of importance are 58 (Greco-Turk reparation), 65 (Civil List) and 70 (financial operations of Constantinople Government). The financial experts have agreed on article 65. We are prepared to suppress article 70 if the Turkish Government gives the necessary assurances to the Debt Council; a letter has been drafted by the financial experts to-night and will be referred to Angora. On article 58 the only question outstanding is whether the waiver of reparation is to cover requisitions also, on which M. Venizelos seems confident that Ismet Pasha will give way.

Thus the financial clauses are practically finished, except for the coupon question.

No. 553.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 28.)

(No. 228.) [By Bag.]
(Telegraphic.) *Lausanne, June 26, 1923.*

MR. HENDERSON'S telegram No. 361 to you.

I do not think that His Majesty's Government should allow themselves to be drawn into any action on the lines suggested in the note from the Patriarchate. We have already done a great deal in (*a*) inducing the Turks to withdraw their demand for the removal of the Patriarchate as an institution from Constantinople, and (*b*) in protecting the person of Mgr. Meletios. To attempt to do more in present circumstances would, in my opinion, do more harm than good to the Patriarchate, which will certainly have a most difficult period to traverse, but which can only hope to secure its future by dissociating itself for the present from foreign influences. It is neither practical nor expedient that we should endeavour to solve the difficulties arising from the facts that Mgr. Meletios was, from the Turkish point of view, irregularly elected, that the Patriarchate had even before his election broken away from the pre-war arrangements governing its relations with the Ottoman Government, and that, whatever their attitude towards the institution, the Turks are most unlikely to tolerate the continuance in office of Mgr. Meletios after our troops withdraw.

I have not, of course, yet seen the despatch referred to in the last paragraph of Mr. Henderson's telegram, but I feel that it would be equally inexpedient for us to take any initiative in suggesting the removal of the whole Patriarchate from Constantinople. It seems to me highly desirable in the interest of Mgr. Meletios himself that he should leave Constantinople before the completion of the evacuation. We cannot force him to do this, but if we are to make any suggestion I think it should be of an unofficial nature, *e.g.*, through the Archbishop of Canterbury, on the

following lines, viz.: that the Patriarch should either resign before we evacuate, leaving his place to be filled as far as possible in accordance with the pre-war procedure by a *locum tenens* who should work out the new arrangements, including the procedure for electing a new Patriarch, with the Turks, taking the pre-war regulations as the starting-point; or else that the Patriarch should leave Constantinople without resigning, but should announce his intention of doing so as soon as proper provision has been made in agreement with the Turkish Government for the election of a new Patriarch.

It is, of course, quite beyond my power to appreciate the canonical aspects of the question, but I feel that so far as we are concerned it must be looked at purely from the above points of view. No Christian Power or group of Powers could in present circumstances give any effective guarantee that the Turks would not interfere in the election of the new Patriarch. Indeed, we admitted during the first phase of the conference that the Turks were entitled to some say in the matter so long as the Patriarchate remained in Turkish territory. That this is not irreconcilable with canon law is proved by the fact that under the pre-war arrangements the Turkish Government already had a say in the matter.

No. 554.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 27.)

(No. 229.)
(Telegraphic.) R. *Lausanne, June 27, 1923.*

YOUR despatch No. 118.

I do not think we are debarred by agreement regarding article 75 from taking up this question. Article 75 deals with different category of cases, and would not in any case legalise collection of taxes twice over.

I do not understand distinction apparently made at Smyrna between ships coming from Salonica and those from other ports. Apart from this, however, position appears to be that ships arriving at Smyrna and proceeding thence to Constantinople have been charged two sets of dues in respect of visit to latter port, viz.: (1) 5 piastres per ton collected at Smyrna in accordance with new tariff enacted at Angora, and (2) five-fold tax based on old tariff collected on arrival at Constantinople.

If this is so we have clear right to ask Turks—

1. Why ships which have paid dues on first arrival in Turkish waters are charged further dues in respect of visits to subsequent Turkish ports. This seems to be contrary both to old and new regulations.

2. Why, even if further dues were payable in respect of visits to subsequent ports, they should be collected, not on arrival at such ports, but on departure from first port of call, *i.e.*, in this case Smyrna.

3. Why two different tariffs should be applied cumulatively in respect of one voyage, viz., Smyrna to Constantinople.

In my opinion matter should be taken up with Adnan Bey on these lines.

No. 555.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 97.)
(Telegraphic.) *Foreign Office, June 27, 1923.*

MR. HENDERSON'S telegram No. 361: The Patriarchate.

I propose to await the despatch mentioned therein before coming to a decision. In the meantime I suggest your consulting M. Venizelos on the subject and obtaining, if possible, his views in a more open and direct manner than such information as has reached us from indirect sources hitherto.

No. 556.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 204.)
(Telegraphic.) D. *Foreign Office, June 27, 1923.*

SIR H. RUMBOLD'S telegram No. 214 of 21st June: Arrangements for closing of Consular Court at Constantinople.

Please act as suggested by Sir H. Rumbold, and report proposed arrangements by despatch.

(Repeated to Lausanne, No. 98.)

[E 6653/4/44] No. 557.

Memorandum on the Proposed Refugee Loan to Greece.

(For the information of the British Representative at the League of Nations.)

DURING the last eight months suggestions for an international loan to Greece, to enable the Greek Government to deal with the refugee problem in a constructive manner by settling the refugees on the land, have frequently been put forward from various quarters. It has been generally recognised that it is only in some scheme of settlement and land reclamation that any hope of a permanent settlement of the refugee problem can be found; and the representative appointed by the Greek Government to undertake the preliminary discussion of the question of the loan with the financial and economic section of the League of Nations definitely proposed, on behalf of his Government, the adoption of such a scheme, in a letter which he addressed to the League on the 15th March.

2. A refugee settlement scheme has already been successfully initiated in Western Thrace by Colonel Procter, with the assistance of the British relief organisations. Reports have been received from independent sources testifying to the great usefulness of the work accomplished in that district, but its development has been prevented by lack of funds. The scheme has the strong moral support of His Majesty's Government.

3. Colonel Procter, who was until recently Deputy High Commissioner of the League of Nations for refugees in Constantinople, was sent out to Greece by the Financial Committee of the League at the end of April in order to prepare a report showing how the proceeds of the proposed loan could most profitably and economically be employed, and to draw up, in consultation with the local authorities, a detailed and comprehensive scheme for the settlement of refugees in productive employment and on the land all over Greece. It is possible that it may be suggested that the loan, if it proves to be financially practicable, should be conditional on the acceptance by the Greek Government of the services of foreign advisers to assist in carrying out the schemes to which the loan would be devoted.

4. A scheme on these lines appears likely to afford a real and permanent solution of the refugee problem, and His Majesty's Government are disposed to give it such encouragement and support as they can, with a view to secure as far as possible the stabilisation of social and political conditions in the Near East, and to prevent the catastrophe which has occurred in Greece from gradually developing into a danger to the rest of Europe.

5. The question of the loan has recently become more urgent owing to the decision of the American and of the British Red Cross Societies to terminate their relief work in Greece this summer. The American Near East Relief and the other British societies in the field are also being obliged by lack of funds to contemplate a curtailment of their activities. On the 31st March the United States Government officially communicated to the Allied Ambassadors at Washington the decision of the American Red Cross to withdraw from Greece, and suggested that, in view of the difficult situation that would consequently arise, the Powers should proceed to an "exchange of views" as to the best method of liquidating the refugee problem in the Near East.

6. His Majesty's Government replied on the 7th April that they welcomed the American initiative in this matter and would gladly co-operate by any means in their power, but that they would await more definite proposals from the United States Government before taking further action. The United States Government has put forward no further suggestions, but meanwhile the proposal for the League of Nations loan has become a question of practical politics.

7. In view of this, and with a view to secure the utmost co-ordination in the efforts of the Powers to come to the relief of Greece in regard to the refugee problem, His Majesty's Government telegraphed to His Majesty's Ambassador at Washington at the end of May suggesting to him that he should take the opportunity afforded by the United States Government's note of the 31st March to point out to them that the proposed loan offered a possible solution of the problem, that its conclusion appeared a practical possibility, and that it would be fully discussed by the Financial Committee of the League towards the middle or end of June. Sir A. Geddes was instructed to inform the United States Government, if he thought it suitable to do so, that His Majesty's Government would welcome the presence of American representatives, even if only as observers, at the meeting of the committee.

8. No doubt, as a result of these representations, the United States Government recently decided to instruct Mr. Dolbeare, the first secretary at the American Embassy in London, to proceed immediately to Geneva to attend the meetings of the Financial Committee of the League in a consultative capacity; and, although it is understood there are constitutional objections to the United States Government making any official financial contribution to the loan within any reasonable time, their action in sending Mr. Dolbeare to Geneva appears to imply a sympathetic attitude towards the project as a whole.

Foreign Office, June 25, 1923.

No. 558.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 28.)

(No. 232.)
(Telegraphic.) D. *Lausanne, June 28, 1923.*

GENERAL PELLÉ communicated this morning to myself and Signor Montagna a telegram from his Government summarising a note from His Majesty's Ambassador, Paris, dated 25th June on lines of instructions conveyed to me in your telegram No. 95.

General Pellé then communicated to us a further telegram containing instructions of his Government to him-self.

French Government is not prepared to agree to any change in formula contained in your telegram No. 91 except trivial alteration omitting words "qui pourront être" in last sentence. French Government is prepared to sign treaty with above formula as regards debt protocol and declaration about concessions and evacuation on ratification by Angora. Alternatively French Government would sign treaty with no declaration about debt and no provision about concession if occupation is continued in a rigorous form until bondholders and concessionnaires make satisfactory arrangements with Turkish Government.

I told General Pellé that I should feel bound to inform you that I regarded it as certain that former alternative would be rejected by Turks, and that second would almost certainly be rejected, and would, if accepted, involve great political difficulties, and would, I imagined, make it necessary for us to ask French and Italian Governments to send reinforcements to Constantinople.

I added that in my opinion it would be undesirable to present a formula which we knew would be categorically rejected and subsequently to give way in face of such a rejection. Better plan would be to present proposal which Turks might reasonably be expected to accept, and rejection of which would fully justify a rupture to public opinion.

I therefore said that I should recommend to you as our final word on three outstanding questions, which would be presented as a single whole, following proposals:—

1. *Debt.*—Turkey to choose between two alternatives (*a*) Paris formula incorporated in declaration, or (*b*) no declaration at all, but a letter from the Allies that we in no way give up our right to protect legitimate interests of bondholders who are our nationals.

2. *Concessions.*—Protocol and declaration already communicated to Turkish delegation; I am sending by bag to-night latest text of these.

3. *Evacuation.*—On ratification by Angora, to be completed in six weeks.

Signor Montagna said that his opinion coincided with mine and that he would telegraph in above sense to his Government. General Pellé took note of our views and promised to communicate them to his Government.

As regards procedure, Signor Montagna and I felt strongly (and General Pellé personally assented) that, as agreement exists on all questions of any importance except debt and concessions, it would be very undesirable to present whole draft treaty to Ismet for his acceptance or rejection, and that right course would be to limit our *démarche* to these two questions, to be linked up with offer to evacuate on ratification by Angora. We also agreed that our *démarche* should be made verbally in the first instance so as to make minor adjustments possible and to avoid unnecessary rigidity in our demands. If Ismet rejected these proposals when made verbally we should put them into writing in form of a *mise en demeure*, and we should desire to know beforehand if our Governments would be prepared to face a rupture if we failed to obtain satisfaction.

No. 559

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 99.)
(Telegraphic.) *Foreign Office, June 28, 1923*

YOUR telegram No. 225 of 26th June: Debt and concessions.

I see you are awaiting an expression of my views as to procedure; I was not proposing to take any decision until I received the more definite views on the alternatives of a bargain or an ultimatum promised in penultimate paragraph of your telegram No. 221 of 25th June.

Secret information indicates that Angora is not disposed to abandon insistence on prior settlement of coupons and evacuation questions, and there is nothing to show that Ismet is authorised to give you the positive undertaking mentioned in your telegram under reference.

It seems to me that everything now depends on French decision on coupons question. If they maintain insistence on their own formula we shall have to consider some form of ultimatum combining it with our text of the concessions guarantees. If, as seems possible from last paragraph of your telegram, they decide to give way, and to agree to omit any declaration, a combined bargain on the two questions can probably be secured. In either case we must insist on complete satisfaction on concessions prior to, or concurrently with, settlement of debt question.

But before taking a definite decision of approaching Allied Governments I shall await your further views, and especially information as to decision of French Government regarding coupons question.

No. 560.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 29.)

(No. 233.)
(Telegraphic.) *Lausanne, June 28, 1923.*

MY immediately preceding telegram.

Situation here is becoming more embarrassing every day. Our one chance of escaping from fresh deadlock is in speedy agreement between Allied Governments as to course of action to be pursued.

All three delegates are agreed that rupture is inevitable if Allies insist on Paris formula regarding debt, nor do we feel that any other formula at all acceptable to us would now have better chance of acceptance by Turks. Practical alternative therefore is that we should waive any declaration to bondholders, but reserve right to protect Allied interests involved should bondholders and Turkish Government fail to reach agreement.

This latter alternative assumes very different form for French and for us. Former would like to make reservation of right to protect rights of Allied bondholders effective by delaying evacuation and, if necessary, tightening up occupation until agreement between bondholders and Turkish Government has been reached. Italian delegate and I regard it merely as reservation which would afford reply to criticisms that we have surrendered rights of bondholders and would entitle one or more Allied

Powers to intervene at any future convenient time should attitude of Turks towards bondholders prove unreasonable, but in the meantime peace would be signed, evacuation would follow on Turkish ratification, and Allies would ratify treaty in the normal course of events.

Procedure which French wish to pursue if we should abandon declaration to bondholders would be almost as likely to lead to rupture as would insistence on Paris formula, as nothing short of firm prospect of early evacuation will reconcile Turks to our proposals regarding concessions, which are third factor in problem. It must be remembered that Ismet is encountering determined opposition at Angora to any weakening on concessions questions, even if Turks get favourable terms regarding debt and evacuation.

Choice of His Majesty's Government therefore lies between following French in one of two courses, either of which will probably lead to rupture: or French to agree that even if we abandon declaration to bondholders Turks shall be promised evacuation on ratification of treaty by Angora, provided we get satisfaction regarding concessions.

Disadvantage of first alternative is that if rupture results we must be prepared for prolonged period of uncertainty and possible hostilities, and we should almost certainly have to make our occupation of Constantinople and Chanak much more effective than it is at present, both in order to impress Turks and to secure the safety of our forces. This would make it necessary for us to ask French and Italians to share burden of occupation more equally with us. French could hardly refuse to do this, but Italian delegate made it clear this morning that his Government would contribute nothing to measures necessary to make occupation more stringent. I earnestly trust that it may be found possible for the two Governments to decide on a common policy, and give us identic instructions at the earliest possible moment.

No. 561.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 29.)

(No. 234.)
(Telegraphic.) *Lausanne, June* 28, 1923.

YOUR telegram No. 99 reached me after I had drafted my telegrams Nos. 232 and 233, which will, I trust, give you complete view of situation as it now stands. Alternatives indicated in ante-penultimate paragraph of latter differ somewhat in form from those described in my telegram No. 221, but are substantially similar. If we follow French we shall gain time by preliminary verbal *démarche*, but we shall almost certainly encounter Turkish refusal and have to fall back on ultimatum. If we bring French round to more moderate view proposed, verbal *démarche* will in effect constitute offer to Turks of bargain, which there is some chance of Ismet accepting, though it is quite true attitude of Angora may make it impossible to do this.

Position is that he and his delegation were greatly impressed by Allied onslaught of 23rd June, but his chiefs at Angora have not yet reacted to it, and he may be unable to overcome their obstinacy.

We are now fixed as to French views on coupon question. French Government are unlikely to modify them unless His Majesty's Government strongly urge them to do so. My personal view is that we should so urge them, as if we are to get reasonable measure of satisfaction on concessions question, British interest in debt question does not seem to me great enough to justify rupture, with its possible consequences and doubtful eventual gain to bondholders or anyone else.

No. 562.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 29.)

(No. 235.)
(Telegraphic.) *Lausanne, June* 28, 1923.

MM. VENISELOS and Alexandris came together to see me to-day. They said that a fortnight had now elapsed since they had received note from Allied delegates foreshadowing end of peace negotiations. No solution, however, had been reached, and they could not contemplate with equanimity a prolongation of present state of

things. The continued mobilisation of Greek army was costing Greece 7 million drachmas a day, and country was being ruined in consequence. In these circumstances they felt obliged to return to the charge, and meant to ask Allied delegates to lend their good offices with a view to conclusion of preliminaries of peace between Greece and Turkey.

M. Veniselos explained that he made this request out of loyalty, in particular, to His Majesty's Government, but that he did not consider himself under any obligation to Italians, who had been avowed enemies of Greeks, or to French, whose conduct during last two years had not been that of allies.

I told M. Veniselos that I quite sympathised with his point of view, though I thought it was asking too much of Allies to lend their good offices for above-mentioned purpose. M. Veniselos then explained all he wanted to know was whether His Majesty's Government would wish to dissuade him from concluding preliminaries of peace with Turkey. I said that I did not think my Government would wish to take any responsibility in the matter one way or the other.

I promised to report to you what he had said, and I should be glad of your views for my guidance.

Allied delegates are naturally still in hopes of bringing peace negotiations to a speedy conclusion, but I no longer feel justified in asking M. Veniselos to be patient.

(Repeated to Athens.)

No. 563.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(*Received June* 29.)

(No. 236.)
(Telegraphic.) R. *Lausanne, June* 28, 1923.

MY telegram No. 225.

Ismet came to-night and enquired when Allies would be prepared to discuss debt question.

I informed him that he had only his Government to thank for delay in settlement of debt and concessions questions. I reminded him that Allies had originally inserted an article in Peace Treaty recognising Decree of Muharrem, &c. They were now willing to accept a declaration, last part of which foreshadowed negotiations between Turkish Government and bondholders, necessitated by financial situation of Turkey. Allies had therefore gone a very long way to meet Turkish point of view, but Turkish Government remained intransigent both on debt and concessions questions, thereby creating a very difficult situation, which required careful consideration of Allied Governments. Delay was entirely due to Turkish Government. I did not blame him so much as I did his Government.

Ismet of course protested against this, but I said that situation was as I had described it. I impressed on him that debt and concessions questions were linked together and that we must insist on solution of both. I asked him whether if a solution were found for debt question he was empowered to settle concessions question here. He replied categorically in the affirmative.

No. 564.

Mr. Henderson to the Marquess Curzon of Kedleston.—(*Received June* 29.)

(No. 367.)
(Telegraphic.) R. *Constantinople, June* 29, 1923.

PARKER telegraphed from Angora 25th June that no progress had been made in his negotiations and that Turks are yielding nothing.

(Sent to Lausanne, No. 192.)

No. 565.

Mr. Henderson to the Marquess Curzon of Kedleston.—(Received June 29.)

(No. 368.)
(Telegraphic.) *Constantinople, June 29, 1923.*

I HAVE received letter from Parker at Angora stating that he is convinced that Turks have no intention of coming to agreement with him except on impossible conditions. He proposes to leave Angora on 2nd July unless this attitude changes, which it is not likely to do unless pressure is exercised at Lausanne.

I agree to the following extent: it has been made abundantly clear that Turks will make no concession respecting companies until and unless coupon question is [! omitted: settled] to their satisfaction. Danger of giving way on coupons without securing guarantees for subsequent more favourable treatment of companies is obvious.

(Sent to Lausanne, No. 193.)

No. 566.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 29.)

(No. 237.)
(Telegraphic.) *Lausanne, June 29, 1923.*

YOUR telegram No. 97.

I have discussed question of Patriarch with M. Veniselos.

He states that he has for some time past advised Patriarch to resign, but that he has hitherto been met by the objection that resignation or departure of Patriarch would lead to exodus of Greeks from Constantinople. M. Veniselos considers that this objection no longer holds good, and he is in agreement with procedure indicated in Constantinople telegram No. 365 to you. He thinks that, although Patriarch may proceed at once to Mount Athos, it is not necessary that he should actually resign. He urges that Synod should enter into immediate negotiations with Turkish authorities with a view either to election of a new Patriarch on former basis—*i.e.*, submission to Turkish Government of a list of suitable names from which they would select Patriarch—or else determine mode of election after consultation with Turks. If Turks refused both methods of procedure, it would be clear that they intend, if possible, to do away with Patriarchate. M. Veniselos attached utmost importance to immediate action by Holy Synod on lines indicated above, whilst Allied troops are still in occupation of Constantinople, for he feels that if proceedings for election of a new Patriarch are deferred until evacuation is about to commence or until it is completed there will be little or no chance of getting a Patriarch elected. He asked that High Commissioner might be instructed to afford his good offices in getting Turks to facilitate proposed negotiations between themselves and Synod. I did not encourage this suggestion.

(Sent to Constantinople.)

No. 567.

The Marquess Curzon of Kedleston to Mr. Henderson (Constantinople).

(No. 207.)
(Telegraphic.) *Foreign Office, June 29, 1923.*

YOUR telegram No. 365 of 27th June: Desire of Patriarch to leave in British warship.

Advantages appear to outweigh disadvantages, and, provided Commander-in-chief can arrange, there is no objection to use of British warship.

No. 568.

The Marquess Curzon of Kedleston to Sir H. Rumbold (Lausanne).

(No. 100.)
(Telegraphic.) *Foreign Office, June 29, 1923.*

YOUR telegram No. 224 of 26th June: Mosul.

It is certainly essential that period for negotiations of Mosul settlement should run from date of ratification by Angora if that date is also to mark commencement of evacuation, and I earnestly trust that you will arrange this.

[E 6776/1/44]

No. 569.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 30.)

(No. 213.)
Lausanne, June 28, 1923.

My Lord,

YOUR despatch No. 106 of the 15th June relative to future arrangements for the Islands of Tenedos and Imbros crossed my despatch No. 173 of the 16th June in which I explained how I proposed to deal with this matter. Since I received your despatch under reference, Mr. Ryan has had a further conversation with the member of the Turkish delegation whom he sounded on the subject. This gentleman said that he had informed Ismet Pasha of his earlier conversation with Mr. Ryan, and that Ismet Pasha's view was that the Turkish authorities could be relied on themselves to give effect to article 14 of the Peace Treaty without any outside intervention such as that of the League of Nations.

2. M. Veniselos also spoke to me about this question before the meeting of my committee on the 26th June. He expressed the hope that it would be possible to arrange that Greece should not evacuate the two islands until arrangements had been made for setting up the special administration contemplated in article 14. He did not, however, ask me to take the matter up in committee, and I still think that the best chance of coming to an understanding with the Turks to provide in a satisfactory manner for the transition from the present state of affairs to that contemplated in the treaty lies in broaching the matter when discussing the evacuation question generally with the Turkish delegation. I have, however, little hope of inducing the Turks to accept any arrangement for the supervision by the League of Nations, or for the setting up of the special administration before the Greeks withdraw from the islands.

3. It has occurred to me that, failing any arrangement on the lines just indicated, it might be possible to move the League of Nations, when Turkey applies for admission to the League, to require to be satisfied as to the nature of the régime to be established in the two islands, and the steps which Turkey has taken or may be taking to establish it.

I have, &c.
HORACE RUMBOLD.

[E 6777/1/44]

No. 570.

Projet de Protocole.

[Enclosure in Despatch No. 214 from British Delegation, Lausanne, dated June 28: Received June 30.]

L'EMPIRE britannique, la France, l'Italie, le Japon, la Grèce, la Roumanie, l'État serbe-croato-slovène et la Turquie, animés du même désir de maintenir et de régler leurs rapports et ceux de leurs nationaux conformément aux principes d'équité et de respect des engagements réciproques, sont convenus des dispositions suivantes:

SECTION I.

1. Les contrats de concessions, ainsi que les accords subséquents y relatifs, intervenus avant le 29 octobre 1914 entre le Gouvernement ottoman ou toute autorité locale d'une part, et les ressortissants alliés (y compris les sociétés) d'autre part, sont maintenus s'ils sont en application ou ont reçu un commencement d'application.

2. Les contrats et accords au sujet desquels, au 29 octobre 1914, toutes les formalités n'étaient pas encore accomplies, seront, néanmoins, considérés comme valables et maintenus s'ils ont d'un commun accord reçu un commencement d'application ou s'ils ont fait l'objet d'arrangements entre le Gouvernement ottoman et un Gouvernement allié comportant un avantage pour la Turquie.

3. Les sommes revenant après règlement des comptes aux bénéficiaires desdits contrats et accords à raison de l'utilisation par l'État de leurs propriétés ou de leurs services, seront payées conformément aux contrats ou accords existants ou, à défaut de contrats ou accords, conformément à la procédure d'expertise prévue par le présent protocole.

4. Les contrats de concession n'ayant pas reçu avant le 29 octobre 1914 un commencement d'application sont également maintenus.

5. Les clauses des contrats et accords subséquents visés aux alinéas précédents seront, d'un commun accord et en ce qui concerne les deux parties, mises en conformité des conditions économiques nouvelles.

6. Faute d'entente dans le délai d'un an à compter de la mise en vigueur du Traité de Paix en date de ce jour, les parties adopteront les dispositions qui seront considérées, tant en ce qui concerne le règlement des comptes que la réadaptation des concessions, comme convenables et équitables par deux experts qu'il leur appartiendra de désigner et qui s'en référeront, en cas de désaccord entre eux, à un tiers expert désigné par le Gouvernement turc sur une liste de trois personnes dressée par le chef du Département fédéral des Travaux publics suisse.

7. Au cas où la réadaptation de contrats de concession n'ayant pas reçu avant le 29 octobre 1914 un commencement d'application entraînerait pour l'État un supplément de charge ne répondant plus, de l'avis des experts prévus à l'alinéa précédent, aux services que la concession devait rendre au pays, ces contrats pourront être résiliés à la demande de l'une ou l'autre des parties. En cas de résiliation, le concessionnaire aura droit, s'il y a lieu, à telle indemnité que lesdits experts jugeront équitable.

8. Les accords intervenus entre le 30 octobre 1918 et le 1er novembre 1922 entre le Gouvernement ottoman et les bénéficiaires des contrats et concessions visés à l'alinéa 1, ainsi que les transferts des contrats de concessions effectués pendant cette période, demeureront en vigueur jusqu'à ce qu'ils aient reçu l'approbation du Gouvernement turc. Au cas où cette approbation ne serait pas accordée, il sera alloué, s'il y a lieu, aux concessionnaires pour le préjudice effectivement subi, une indemnité à fixer par les experts désignés dans les conditions indiquées à l'alinéa 6. Cette disposition ne porte pas atteinte, en ce qui concerne les contrats antérieurs au 29 octobre 1914, au droit à réadaptation prévu par le présent protocole.

SECTION II.

9. Dans tous les territoires détachés de la Turquie, soit à la suite des guerres balkaniques, soit en vertu du Traité de Paix en date de ce jour, l'État successeur est pleinement subrogé dans les droits et charges de la Turquie vis-à-vis des ressortissants alliés et des sociétés dans lesquelles les capitaux alliés sont prépondérants, bénéficiaires de contrats de concession passés avant le 29 octobre 1914 avec le Gouvernement ottoman ou toute autorité locale ottomane. Cette subrogation aura effet à dater de la mise en vigueur du traité par lequel le transfert du territoire a été stipulé.

10. Les stipulations de la première section du présent protocole à l'exception de l'alinéa 8 seront appliquées aux contrats visés à l'alinéa 9.

11. Toute société constituée conformément à la loi ottomane et fonctionnant dans des territoires détachés de la Turquie, soit à la suite des guerres balkaniques, soit en vertu du présent traité, et où des intérêts alliés sont prépondérants aura, pendant cinq ans à dater de la mise en vigueur du Traité de Paix en date de ce jour, la faculté de transférer ses biens, droits et intérêts à toute autre société constituée en conformité de la loi soit de l'État exerçant l'autorité sur le territoire en question, soit de l'un des États alliés dont les ressortissants contrôlent ladite société. La société à qui les biens, droits et intérêts auront été transférés jouira des mêmes droits et privilèges dont jouissait la société précédente, y compris ceux que lui conféreront les dispositions du présent protocole.

12. Les dispositions de l'alinéa 11 ne s'appliquent pas aux sociétés concessionnaires de services publics dont une partie de l'exploitation demeurerait en territoire turc.

13. Les sociétés auxquelles seront transférés, en vertu de l'alinéa 11, des biens, droits et intérêts de sociétés ottomanes, ne seront soumises sur les territoires détachés de la Turquie à aucune taxe spéciale du fait de ce transfert, s'il n'y est fait obstacle par

des conventions internationales en vigueur. Il en sera de même sur le territoire de celle des Puissances contractantes dont ces sociétés prendraient la nationalité, à moins que cette Puissance n'y fasse opposition en vertu de sa législation propre.

Projet de Déclaration de la Délégation turque.

Le Gouvernement turc s'engage à appliquer les stipulations de la première section du protocole en date de ce jour concernant les concessions aux sociétés ottomanes dans lesquelles les capitaux des ressortissants des autres Puissances contractantes audit protocole sont prépondérants.

Il est entendu que le bénéfice de ces stipulations ne pourra être demandé par les sociétés où les capitaux étrangers seraient devenus prépondérants postérieurement au 29 octobre 1914.

No. 571.

Sir H. Rumbold to the Marquess Curzon of Kedleston.—(Received June 30.)

(No. 239.) *Lausanne, June 30, 1923.*
(Telegraphic.)

MY telegram No. 235.

Objection to opening Græco-Turkish negotiations at this stage is to my mind as great as ever. They could only stiffen Turkish attitude towards Great Britain, France and Italy, and would probably be regarded by Turks as precursor of similar separate negotiations with Roumania and Serbia. Responsibility of our continuing to discourage them, however, is increasing.

It occurs to me that possibly we might now represent matter to M. Venizelos as follows :—

Two alternatives face us—signature of peace or breaking up of conference. In latter case Allies intend to continue to occupy Constantinople and Straits. They may have to strengthen their position there, and for that purpose might have to regard Mudania Convention as lapsed, and might have to carry on on the basis of Mudros Armistice, unless necessary measures could be taken without contravening former convention.

It by no means necessarily follows that Turks will themselves commence hostilities, at any rate at first, and if they do it will be almost certainly against the three Allies, either in the direction of the Straits from Anatolia or in the direction of Syria and Irak. Meanwhile His Majesty's Government have every reason to believe that Turkish military organisation in Eastern Thrace has failed, and the case of "Umid" shows that they are actually sending back men and guns from Thrace to Anatolia.

In these circumstances, even in the event of rupture of the conference, there seems to be no Turkish danger to Greece in Western Thrace, all the more so as the conference will have broken on questions interesting primarily the principal Allied Powers. On the other hand, in practice and however justifiable Greek action may be in theory, opening of preliminary negotiations by Greece with Turkey at this stage, owing to its effect on Turks *vis-à-vis* other Allies, can only prove a disservice to Allied cause as a whole.

Whatever be the rights and wrongs of Greece's case, she must admit that, ever since collapse in Asia Minor, Allied action at Straits and help in her negotiations here are bringing her better terms from Turkey than she could then have hoped for. His Majesty's Government are therefore anxious to avoid separate negotiations if only practical inconveniences to Greece of further delay can be overcome. Would not this be effected if Greece demobilised, at any rate a part of her army in Western Thrace, at once and without waiting for signature of peace, and would not the above examination of present position and future contingencies justify such action? To my mind effect on Turkey of partial demobilisation in Western Thrace would be less disadvantageous from Allied point of view than opening of Græco-Turkish negotiations.

M. Veniselos might not think such advice from His Majesty's Government sufficient to convince his Government, nor am I aware whether His Majesty's Government would be prepared to take responsibility of giving it, but it might be useful in any case for me to talk the matter over here with M. Veniselos on these lines.

M. Veniselos told a member of my staff to-day that he was sending no communication to the three Allied delegations here on this subject at any rate before 2nd July, in the hope that I should have received your views before then.

(Repeated to Athens.)

No. 572.

Sir H. Rumbold to the Marquess Curzon of Kedleston. (*Received June* 30.)

(No. 240.)
(Telegraphic.) D. *Lausanne, June* 30, 1923.

FRENCH delegate has just communicated to me two telegrams from his Government, of which following is substance:—

First telegram reports a conversation between you and French Ambassador yesterday morning, in the course of which you recognised advantage of procedure which French propose to follow in connection with outstanding questions. You expressed view that Allies should form a block of all questions at present outstanding, and should afford each other mutual assistance in solving them. You did not object to French formula regarding debt question, but you added that before sending me definite instructions you wished to consider my latest telegrams.

Second telegram stated that M. Poincaré accepts proposal that note to be addressed to Turks should only deal with debt, concessions and evacuation questions. He also consents to a verbal discussion with Turks in the first instance on basis of proposed note, reserving, if necessary, a written note for a *mise en demeure*. M. Poincaré comments on attitude of Italian delegate and myself in the sense that he does not consider difference between our views and those of General Pellé was warranted by the attitude or instructions of British and Italian Governments. As regards alternatives suggested for settlement of debt question, French President of the Council considers these alternative suggestions cannot be considered of equal value, as only the first, *i.e.*, French formula, gives French satisfaction. But he authorises present second alternative, *i.e.*, absence of all declaration regarding Decree of Muharrem, on condition—

1. That Allies reserve all rights under Decree of Muharrem, its annexes and loan contracts; and

2. That evacuation shall only take place in [? six] weeks if an agreement has in the meantime been reached between bondholders and Turkish Government.

This latter condition in reality amounts to laying down that settlement between bondholders and Turkish Government must be reached between signature of treaty and its ratification by Turkish Government.

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